

THE EFFECT OF EMPLOYEES' FAIRNESS PERCEPTION ON THEIR SATISFACTION TOWARDS THE PERFORMANCE APPRAISAL PRACTICES (A CASE STUDY OF UNIVERSITY OF GONDAR)

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Abstract: It is overt that improving organizational growth has become one of the prime goals of human resource management. Organizational performance is the synergetic sum total of the performance of all employees in the organization. As employees are one of the most valuable assets of the organization that can make things happen, the practice of performance evaluation is an inherent and inseparable part of the organizations' life. Hence, this study is targeted to assess the effect of employees' fairness perceptions on their satisfaction towards performance appraisal practices in the University of Gondar. The underlying assumptions here is that employees' perceptions of distributive, procedural, informational and interpersonal fairness parameters are highly associated or determine their satisfaction on the performance appraisal practices of their institution. Cross sectional descriptive survey design was employed. Using stratified random sampling technique 230 participants (employees) of the target institution-UoG were selected from the total population of 1913. The primary data collected using Walsh (2003, p. 56) adapted standard questionnaire were subjected to subsequent statistical analysis using SPSS software. Accordingly, the total perception responses of the participants on the overall fairness parameters with ($M=2.46$, $\beta =.877$, $P<0.000$) found to be significantly and highly correlated with overall satisfaction ($M= 2.37$) of the performance appraisal practices. Specifically, each of the fairness dimension variables interpersonal ($M=2.65$, $\beta =.153$, $P<0.001$), procedural ($M=2.40$, $\beta = .545$, $P<0.000$) and informational fairness ($M=2.42$, $\beta =.246$, $P<0.000$) parameters, except distributive fairness ($M=2.40$, $\beta =.025$, $P<0.610$), are found to be significantly correlated with the overall satisfaction. These results imply that the employees in UoG generally did not perceive the performance appraisal practices in the institution as fair. Similarly, their overall satisfaction on the performance appraisal practices of the University is low (below the average). Therefore, in order to be effective in achieving its targeted goals and objective the UoG is required to reevaluate its performance appraisal practices specifically on the three basic dimensions of fairness parameters and their associated variables: clarifying expectation standards, providing feedback, rating decisions, respectfulness of supervisions, sensitivity of supervisions, setting employees performance expectations, raters confidence and appealing procedures.

Keywords: Performance evaluation, Organization fairness, Employees' perceptions and satisfaction of Performance appraisal.

I. INTRODUCTION

1.1. Background of the Study

Human resource is the most valuable asset having the greatest potential in determining the statuesque of an organization in today's competitive business world. To be competitive with their rivals' organizations should be innovative by effectively managing this vital resource. Successful managers recognize that human resources deserve attention because they are crucial in top management strategic decisions that guide the organization's future operations. Without an adequate number of the right sort of people with appropriate training, qualifications and experience, an organization cannot do a good job. No matter how fine the building and the equipment, nor how perfect the systems and policies, there is no substitute for an adequate and capable staff Kennedy (1969, pp. 17).

Based on many literatures for example, Sudin (2011, p. 72); perceived fairness is conceptualized as organizational justice which consist of procedural, distributive, interpersonal and informational justice. Employee satisfaction towards performance appraisal has been the most frequently measured (Keeping and Levy, 2000).

An attempt of being competitive as nation, the Ethiopian government has embarked on multiple public administration reforms from the early 1990s. One of these civil service reform measures which are becoming a common phenomenon in various institutions in the nation recently is the BPR implementation effort. Similarly, University of Gondar is one of these institutions in which the BPR reform program is being undertaken. Besides, in conjunction with the BPR reform a five year strategic plan is designed and on progress. However, as much of the extant literature in the area indicates, in order for the University's strategic goals are met successfully, its human resource has to be managed wisely and be geared to its ultimate objectives.

Thus, as a higher institution a number of limitations associated with the human resource management aspect in general, and the performance evaluation practices in particular are expected from the University of Gondar.

1.2. Statement of the Problem

Employees are the backbone, the most valuable assets & living part of an organization that can make things happen, the practice of performance evaluation is an inherent and inseparable part of the organizations' life. The attainment of organizational objectives largely depends on the motivation of employees to work and to their good perception of the organization.

The condition of an organization's being effective or ineffective is mainly dependent on its human resource management in general and employees performance appraisal in particular. And this undoubtedly have positive or negative impact on its employees' perception accordingly. For example, employees are more likely to be receptive and supportive of a given performance appraisal program if they perceive the process as a useful source of feedback which helps to improve their performance (Mullins, 2007, p. 43).

The most important variable to be considered in line with the performance appraisal system or practice of an organization is the perception of employees. Perception as defined in Oxford advanced dictionary is: "understanding or thinking something or somebody in a particular way". Perceptions of employees about the targets, outcomes and uses of performance appraisal results would be beneficial depending on a number of factors. For example, employees are more likely to be receptive and supportive of a given performance appraisal program if they perceive the process as a useful source of feedback which helps to improve their performance (Mullins, 2007, p. 43).

However, concerning performance evaluation, there are no research based evidences about the overall human resource element of the University of Gondar. Thus, whether the performance evaluation practices in the University are being used for the betterment/improvement towards the organizational objectives/goals/missions is not well explain based on evidence. Besides, to what purpose the actual evaluation practice is unclear.

Hence, this study is intended to fill these gaps and give feedback about the effect of employees' fairness perceptions on their satisfaction towards the performance evaluation practices being employed in the University. As a result, the information that will be obtained from this study is expected to enable the human resource element of the University to be geared towards the intended outcome and be competitive.

1.3. Objective of the Study

1.3.1. General objective

The main objective of this study is to assess the effect of employees' fairness perception on their satisfaction towards the performance appraisal practices of the University of Gondar.

1.3.2. Specific Objectives

1. To assess the extent of perceived fairness of performance appraisal practices in UoG.
2. To assess the level of satisfactions towards the performance appraisal practices.
3. To observe the relationship between the employees' perceptions of procedural fairness and satisfaction towards the performance appraisal practices.

4. To observe the relationship between the employees' perceptions of interpersonal fairness and satisfaction towards the performance appraisal practices.
5. To observe the relationship between the employees' perceptions of informational fairness and satisfaction towards the performance appraisal practices.
6. To observe the relationship between the employees' perceptions of distributive fairness and satisfaction towards the performance appraisal practices.

To the same end, the research is targeted to prove the following leading research hypotheses.

1.4. Hypotheses

Hypothesis 1= The employees' extent of perceived fairness of performance appraisal practices is low.

Hypothesis 2= The employees' level of satisfactions towards the performance appraisal practices is low.

Hypothesis 3= The employees' perceived procedural fairness towards the performance appraisal practices has positive effect on their satisfaction.

Hypothesis 4= The employees' perceived interpersonal fairness towards the performance appraisal practices has positive effect on their satisfaction.

Hypothesis 5= The employees' perceived informational fairness towards the performance appraisal practices has positive effect on their satisfaction.

Hypothesis 6= The employees' perceived distributive fairness towards the performance appraisal practices has positive effect on their satisfaction.

1.5. Scope of the Study

More than 3645 employees had hired on both permanent and contractual basis on which this study was targeted or limited to assess the perceptions of fairness of 1913 in all academic and administrative staff of permanent employees' satisfactions towards the performance evaluation practices in the University. The information for this research is limited to the employees' perception of fairness towards the performance evaluation practices of their institution. The employees who did have below diploma educational levels and one year work experience were not included in this research.

1.6. Significance of the study

As this study is focused on the human resource element in general and performance appraisal practices of the University in particular, it supposed to have the following significances:

- 1) Elicit an appropriate depth of respondents' reflection on the performance appraisal practices of the University. Thus, furnish feedback to the concerned body to reassess its existing practices and put a renewed emphasis on human resource functions - performance appraisal with a view of maximizing its benefits.
- 2) Disclose whether or not the current performance appraisal is adequate or necessitate a change.
- 3) Pin point the causes and effects of employee's perception towards the performance appraisal practices.
- 4) Provide specific information needed to improve the effectiveness of the performance appraisal system in achieving organizational goals.
- 5) Serve as a spring board for researchers to conduct further study in this area.

1.7. The Structure of the Report

The final study paper had five chapters and the first chapter dealt with background information, statement of the problem, objective of the study, significance of the study, definitions (terms, concepts and operational variables), scope and limitation of the study. The second, the third and the fourth chapters dealt with review of literature, methodology and data analysis of the study respectively. The fifth chapter covered about summary, conclusions, recommendations and future research directions of the study. Finally the references and appendix stated.

1.8. Problems and Limitations

To conduct this study, there were some problems and limitations such as: shortage of finance, lack of reputable literature on this specific subject in the study area, shortage of transportation accessibility and willingness of some employees to give factual information. There were also problems since it includes portion of employees whom get appraised by defined

performance evaluation methods. Other limitations include the relatively low response rate from the total 1913 participants.

Finally, this study suffers from threats to the external validity. The study cannot generalize in the others Universities of the performance appraisal systems. There may be more indicators or reactions to measure fairness of performance appraisal characteristics to evaluating the success and efficacy of performance appraisal practices in addition to the study independent variables such as the informational, interpersonal, distributive and procedural fairness.

1.9. Definitions of Terms and Concepts

Performance: The act of performing; of doing something successfully, and using knowledge as distinguished from merely possessing it. A performance comprises an event in which generally one group of people (the performer or performers) behaves in a particular way for another group of people.

Performance Evaluation: It is the activity used to determine the extent to which employee perform work effectively. It has almost similar definition with performance appraisal.

Performance Appraisal: It is the systematic assessments of an employee in terms of the performance aptitude and other qualities which are necessary for successfully carrying out the job.

Perception: It is as defined as in Oxford advanced dictionary: understanding or thinking something or somebody in a particular way.

Operational Definitions of Organizational Fairness: It is possible to see the operational definitions among the four dimensions of the independent variables such as the distributive fairness (accuracy of ratings and concern over ratings), informational fairness (clarifying expectation standards, providing feedback, rating decisions), interpersonal fairness (respectfulness and sensitivity of supervisions) and procedural fairness (setting the performance expectations, raters confidence and seeking appeals) one by one below.

Distributive Justice: Referring to the equity theory, employees will modify the quality or quantity of their work to restore justice. Additionally, when employees are treated fairly, they are “more willing to subordinate their own short-term individual interests to the interests of a group or organization” McCain et al., (2010).

Procedural Justice: procedural justice refers to maintaining institutional legitimacy (Cropanzano, Bowen & Gillilan, 2007). Perceptions of procedural justice are high if there are standards to insure the results of monitoring are accurate; and that the organization has appeal procedures to correct unreasonable outcomes as cited by Sudin (2011, p. 72). Theory and research has established that procedures are judged as fair if they are implemented consistently, without self-interest, on the basis of accurate information, with opportunities to correct the decision, with the interests of all concerned parties represented, and following moral and ethical standards Jawahar (2002).

Informational Justice: Informational justice refers to the transitory and explanation of decision making procedures Greenberg (1990), specifically to the fairness of decision maker’s behavior in the process of decision making that proper treatment is defined as: clarifying expectations, providing feedback and explaining rating decisions: being truthful in communication and treating people with courtesy and showing respect; further, they argued that proper enactment of procedures is defined by five behaviors: (a) adequate consideration of the employee’s input, (b) suppression of personal biases, (c) consistent application of decision-making criteria, (d) timely feedback, and (e) justification for the decision.

Interpersonal Justice: Interpersonal justice refers to treatment with politeness, dignity, and respect by those who execute procedures or determine outcomes. Interpersonal justice refers to treatment with politeness, dignity, and respect by those who execute procedures or determine outcomes Sudin (2011, p. 73). Interpersonal treatment includes interpersonal communication, truthfulness, respect, propriety of questions, and justification, and honesty, courtesy, timely feedback, and respect for rights Colquitt et al., (2006).

Operational Definitions of Satisfaction of the Performance Appraisal: Employee satisfaction towards performance appraisal has been the most frequently measured (Keeping & Levy, 2000) and it has been primarily conceptualized in three ways satisfaction with: performance appraisal rating practices, supervisors who can facilitate the appraisal ratings or process and performance appraisal systems. The above satisfaction of performance appraisal dimensions can be measured or explained the very well in terms of the four fairness dimensions such as the distributive, informational, interpersonal and procedural fairness associations of the relationships in between themselves.

Performance Appraisal Ratings: Primary purpose of the employees’ performance appraisal in terms of the developmental aspect of the performance appraisal process clear so employees understand and believe that is for job and career

development and the employees should be aware of from the performance appraisal ratings by comparing to the existence and expectations.

Supervisors Who Can Facilitate The Appraisal Ratings Or Process: Managers may conduct appraisals primarily to have an effect on employee input through the feedback process, or to justify some sort of human resource action (termination, transfer, promotion, etc.) likewise, it may be anticipated that managers try to make certain that the dimensions of the appraisal process are known, understood, and supported by the participants.

II. LITERATURE REVIEW

2.1 Review of Concepts and Theories

The history of performance appraisal process can be traced back to thousands of years. According to (Coens & Jenkins, 2000), the exact beginning of performance appraisal is unknown, but it is in practice since the third century when emperors of appraised the performance of the official family members as cited by Ikramullah, M. et al., (2011, pp. 93).

Performance appraisal is a multi-dimensional concept. On the most basic level, (Borman & Motowidlo, 1993) distinguish between task and contextual performance. Task performance refers to an individual's proficiency with which he or she performs activities which contribute to the organization's objective. This contribution can be both direct (e.g., in the case of production workers), or indirect (e.g., in the case of managers or staff personnel).

Performance management and performance appraisal system is a control measure used to determine deviations of work tasks with a view of taking corrective action with the right evidences. It is also used to reflect on past performance experience and behaviors as the organization plans ahead. The fact that mostly big businesses rely on performance management systems to evaluate how well employees perform becomes a center of stage of managers' focus in winning the heart of talented employees, retaining to keep working for the public and private sectors, and maintaining them to perform productively and innovative. The employee appraisal processes can provide useful information to employers, as well as positively and negatively affect employee performance.

Different experts have defined performance appraisal concept in different points of views; among the popular definitions: Performance appraisal more broadly defines as "activities through which organizations seek to assess employees and develop their competence, enhance performance and distribute rewards Fletcher (2001, p. 473).

Performance appraisal is a system of review and evaluation of an individual's (or team's) performance Mondy et al., (2002).

Performance appraisal can be defined as the process of evaluating how well employees do their jobs compared with a set of standards and communicating that information to those employees (Robert L. Mathis & John H. Jackson, 1997). It also has been called employee rating, employee evaluation, performance review, performance evaluation, and results appraisal.

In general, performance evaluation is the process in where an individual's scored and feedback is given. A large component in psychology is trying to measure human behavior. Performance appraisals are often used in the work place to inform employees on their work progress. Promotions, bonuses and training needs are often based on the information provided by a performance appraisal.

Performance evaluation practice is a formal system of periodic review and evaluation of an individual's job performance as well as the organizational goal. Performance evaluation practices have been the most common methods employed by employers and organizations to incentivize and measure the performance of their employees. Performance evaluation practice detects employees' perceptions, beliefs, preferences and development areas with regard to the organizational goals.

Employees are the backbone, the most valuable assets & living part of an organization that can make things happen, the practice of performance evaluation is an inherent and inseparable part of the organizations' life. The attainment of organizational objectives largely depends on the motivation of employees to work and to their good perception of the organization.

In the organizational setting, performance appraisal is defined as a structured formal interaction between a subordinate and supervisor, that usually takes the form of a periodic interview (annual or semiannual), in which the work performance of the subordinate is examined and discussed.

(Moorhead & Griffin, 1992; Sabeen & Mohboob, 2008) cited by Warokka et al., (2012, p. 6). Again on his citation suggested that the performance appraisal, the focus is to identify weaknesses and strengths as well as opportunities for

improvement and skills development Aguinis (2007). A performance appraisal involves measuring job performance in which mainly captures an essential element of the performance appraisal process without specifying the actual techniques used for measurement.

Thus, employees have to be motivated and updated with the necessary skills and technology in their respective fields of work, and their performance has to be evaluated (appraised) critically, in order to enable their institution be competitive and more productive. As defined by Armstrong (2006, p. 486) performance appraisal is a “formal evaluation process, when a review of performance over a period takes place, covering achievements, progress and problems as the basis for a revised performance agreement and personal development plan”.

As noted by (Sonnentag & Frese, 2001, p. 5) many authors agree that when conceptualizing performance one has to differentiate between an action (i.e., behavioral) aspect and an outcome aspect of performance (Campbell, 1990; Campbell, McCloy, Oppler, & Sager, 1993; Kanfer, 1990; Roe, 1999). That encompasses behaviors such as assembling parts of a car engine, selling personal computers, teaching basic reading skills to elementary school children, or performing heart surgery. Not every behavior is subsumed under the performance concept, but only behavior which is relevant for the organizational goals: “Performance is what the organization hires one to do, and do well” Campbell et al., (1993, p. 40). Thus, performance is not defined by the action itself but by judgmental and evaluative processes (cf. Ilgen & Schneider, 1991; Motowidlo, Borman, & Schmit, 1997) cited by (Sonnentag, S. & Frese, M. 2001, p. 5).

The outcome aspect refers to the consequence or result of the individual’s behavior. In many situations, the behavioral and outcome aspects are related empirically, but they do not overlap completely. Outcome aspects of performance depend also on factors other than the individual’s behavior.

For better performance of the organizations satisfied employees play a fundamental role for both organizational and employees growth. If performance evaluation practice is not tied to work and to the organizational goals, employees are dissatisfied with the type of performance practices effect, their contribution towards goal attainment tends to be lower. As it is indicated, in severe cases, pay dissatisfaction may lower performance, causes strike, increase grievance, and leads to forms of physical or psychological withdrawal ranging from absenteeism and turnover to increased visit to dispensary and poor mental health.

Realistic, measurable, clearly understood performance standards benefit both the organization and the employees. Standards often are established for quantity of output, quality of output, timeliness of results, manner of performance and effectiveness in use of resources. Successful managers recognize that human resources deserve attention because they are a significant factor in top management strategic decisions that guide the organization's future operations.

According to Fisher et al. (2005) outlined the following principal purposes of appraisal: employee development (identification of training needs and preparation of personal development plans), administrative decisions (merit, pay, career, etc.), organizational development (personnel planning, prevention of conflicts, implementation of motivation system, etc.) and documentation (conformity to official regulations, certification of accordance to formal requirements, etc.).

2.1.1. Concepts of Performance Appraisal Fairness

Understanding fairness or organizational justice in performance appraisal process and practices is extremely important for organizations because of its relationship with employees’ job satisfaction and organizational commitment and, subsequently, their propensity to search for another job, (Cropanzano, Bowen & Gillilan 2007) defined organizational justice as a personal evaluation about the ethical and moral standing of managerial conduct cited by Sudin (2011, p. 67). They argued that organizational justice has the potential to create powerful benefits for organizations and employees alike. These include greater trust and commitment, improved job performance, more helpful citizenship behaviors, improved customer satisfaction, and diminished conflict (Cropanzano, Bowen & Gillilan, 2007).

According to (McShane & Glinow, 2000), Perception is the process of receiving information and making sense of the world around us cited by Chemed Diriba (2012, p. 33). It involves deciding which information to notice, how to categorize this information, and how to interpret within the framework of our existing knowledge. As he noted most stimuli are screened out; the rest are organized and interpreted based on various information- processing activities. The resulting perceptions influence our emotions and behavior toward those objects, people, and events.

According to Armstrong (2009), perception is the intuitive understanding, recognition and interpretation of things and events. Behavior will be influenced by the perceptions of individuals about the situation they are in. Therefore, the perception of employee about their performance appraisal depends upon their understanding of themselves and

interpretation of their own. The perception of employees about the performance appraisal in the selected institutions of higher education in Ethiopia have been organized and presented by posing question about their attitudes or perceptions toward performance appraisal practice of University of Gondar.

The increasing-concern of most employees in many organizations nowadays is the fairness at work, which is known also as the organizational justice (Byrne & Cropanzano, 2001) cited by Warokka et al., (2012, p. 6). This issue, especially, related to the performance appraisal fairness and what is behind the different performance point of each employee receives. The issue of fairness is critical to performance administration and most every phase of labor management. Employees will act to restore equity if they perceive an imbalance. In evaluating the fairness of their performance appraisal, employees will balance inputs (e.g., work effort, skills) against outcomes (e.g., pay, privileges).

According to Warokka et al., (2012, p. 7). Organizational justice researchers divide the concept of fairness into three primary types the first commonly accepted type of justice is referred to as "distributive" justice. In the distributive-oriented perspective, the fairness of the outcomes of a particular decision is the main consideration. "Procedural" justice, the second type, concerns about the fairness of the processed that lead to the outcome. The majority of research conducted in the organizational justice's field has put these two areas as the foundation in the last twenty years (Byrne & Cropanzano, 2001). Those studies indicate that people will accept a certain amount of unfairness in distribution if they perceive that the process by which the distribution decisions were made is fair. A third type of justice is often referred to as "interactional" justice. Many scholars defined interactive-oriented justice as the fairness of the interpersonal treatment that one receives at the hands of an authority figure during enactment of organizational processes and distribution of outcomes (Bies & Moag, 1986). The interactional justice concept has been included as an interpersonal aspect of procedural justice. It also plays as a distinct construct along with procedure-oriented and distributive justice (Skarlicki & Folger, 1997). In 2007, Robbins and Judge resumed their findings and reinforced distributive, procedural, and interactional justice as the three different components of organizational justice.

Perception is a process by which individuals organize and interpret their sensory impressions in order to give meaning to their environment (Robbins & Judge, 2007) as cited by (Warokka et al., 2012, p. 12). In reality, the objectives often vary and differ from one's perception due to every person has different behavior and thought. Therefore, it is common that there is more disagreement among people's view. Factors that influence someone's perceptions are from their nature characteristics, which include his or her attitudes, personality, motives, interest, past experiences and expectations. Employees want fair dealing in performance appraisal system, which is a vital component of organization's HRM.

The literature reveals that fairness perceptions about various components of performance appraisal system have very serious implications not only for employees, but also for an organization (e.g. Bernardin & Beatty, 1984; Latham & Wexley, 1994) as cited by Ikramullah, M. et al. (2011). If employees have an opportunity to change their ratings (Gabris & Ihrke, 2001) or have given simply right to raise their voice against ratings which they perceive unfair (Cawley, Keeping, & Levy, 1998; Gabris & Ihrke, 2001) then this will result in fair perceptions of performance appraisal system. Similarly, employees' satisfaction with various aspects of performance appraisal system, like, performance targets setting and performance feedback are related to fairness of appraisal system Blau (1999).

The study of fairness or organizational justice came out from Adam's equity theory in the social-psychology literature (Adams, 1965). Employees' perceptions of fairness depend on one or more of their perceptions concerning the various organizational outcomes which they receive from the organization (distributive justice), procedures used to make those decisions (procedural justice) and the treatment which they receive from organization or agents (i.e. managers) (interpersonal justice) and all the required information related to various outcomes is provided within an organization (informational justice) Ikramullah, M. et al., (2011, pp. 94).

The most important variable to be considered in line with the performance appraisal system or practice of an organization is the perception of employees. Perception as defined in Oxford advanced dictionary is: "understanding or thinking something or somebody in a particular way".

Perceptions of employees about the targets, outcomes and uses of performance appraisal results would be beneficial depending on a number of factors. For example, employees are more likely to be receptive and supportive of a given performance appraisal program if they perceive the process as a useful source of feedback which helps to improve their performance Mullins (2007, p. 43). Employees are likely to embrace and contribute meaningfully to a given performance appraisal scheme if they perceive it as an opportunity for promotion, and as an avenue for personal development opportunities, a chance to be visible and demonstrate skills and abilities, and an opportunity to network with others in the organization.

On the other hand, if employees perceive performance appraisal as an unreasonable attempt by management to exercise closer supervision and control over tasks they perform, various reactions may result. Performance appraisal will be effective if the appraisal process is clearly explained to, and agreed by the people involved Anthony et al., (1999). The human resource system can become more effective by having a valid and accurate appraisal system used for rating performances of employees (Armstrong, 2003; Bohlander & Snell, 2004).

Perceived organizational justice in human resource practices particularly in performance appraisal system was based on the equity theory research and most of the equity theory research was derived from Adams' social exchange theory framework (Adams, 1963; 1965). Fairness consists of three types of subjective perceptions, typically referred to as distributive justice, procedural justice and interactional justice (Adams, 1965; Leventhal, 1980; Bies & Moag, 1986) cited by Sudin (2011, p. 72). Most recently, interactional justice is viewed by researchers as consisting of two distinct and specific types of interpersonal and informational justice Greenberg (1990).

The condition of an organization's being effective or ineffective is mainly dependent on its human resource management in general and employees performance appraisal in particular. And this undoubtedly have positive or negative impact on its employees' perception accordingly. For example, employees are more likely to be receptive and supportive of a given performance appraisal program if they perceive the process as a useful source of feedback which helps to improve their performance Mullins (2007, p. 43).

Perceptions of employees about the targets, outcomes and uses of performance appraisal results would be beneficial depending on a number of factors. For example, employees are more likely to be receptive and supportive of a given performance appraisal program if they perceive the process as a useful source of feedback which helps to improve their performance Mullins (2007, p. 43).

On the contrary, if employees perceive performance appraisal as evaluative in which case they consider it as a tool of punishment for unfavorable performance, they would not be ready to learn from their past mistakes.

But based up on many multidimensional problems or limitations the employees' perceptions of fairness were agreed by many authors about the performance appraisal practices that employees have less believe in the existence of performance appraisal. Therefore, employees of public higher education institutions less believe in the existence of performance appraisal than those of private higher education institutions Chemed Diriba, (2012, p. 111). According to his findings majority of the respondents' perceptions about the performance appraisal process that doesn't meet the organizations and employees goal is a waste of time.

2.1.2. Concepts of Performance Appraisal Satisfaction

Performance appraisal is a process by which a superior evaluates and judges the work performance of a subordinate. Performance appraisal systems include the processes and procedures involved in implementing, managing, and communicating the events involved in performance appraisal.

Now a day's performance appraisals usually comprise: (1) explicit feedback on various aspects of job performance; (2) identification of employee's strengths and weaknesses in comparison to the requirements for current position; (3) the agreement on concrete objectives to be attained by the employee during the next evaluation period; and (4) preparation of personal development plans, a statement of each employee's career goals, decisions on merit pays, etc. Seta et al., (2000, p. 445).

Summary of different the scholarship (Bernardin & Beatty, 1984; Landy & Farr, 1983; Latham & Wexley, 1981; Lawler, Mohrman, & Resnick, 1984; Murphy & Cleveland, 1995) points towards the following five areas as measures of an efficacious performance appraisal system: determines pay; explains and communicates pay decisions; provides the subordinate with development information and support; fosters mutual task definition and planning of future work goals; documents and recognizes subordinate's performance; allows the subordinate to provide feedback about feelings, supervision and definition of work cited by Walsh (2003, p. 23).

Pettijohn et al, (2001) identify participation and perceptions of fairness as integral to employees' perceptions of job satisfaction and organizational commitment cited by (Boachie-Mensah & Awini 2012, p. 75). They conclude that performance appraisal practices can be used to actually improve employees' levels of job satisfaction, organizational commitment, and work motivation. (Roberts & Reed, 1996) submit that participation, goals, and feedback impact on appraisal acceptance, which affects appraisal satisfaction and eventually employee motivation and productivity.

Performance appraisal in organization is considered as a key human resource management (HRM) practices for measuring effectiveness and efficiency. Successful managers recognize that human resources deserve attention because they are

crucial in top management strategic decisions that guide the organization's future operations. Without an adequate number of the right sort of people with appropriate training, qualifications and experience, an organization cannot do a good job. No matter how fine the building and the equipment, nor how perfect the systems and policies, there is no substitute for an adequate and capable staff Kennedy (1969, p. 17).

Performance appraisal can be simplified as a process of assessing the quantitative and qualitative aspect of a subordinate's job performance. They also identify that the dual purposes of performance appraisal are to develop subordinates and to improve the organizational performance simultaneously.

Performance appraisal serves many purposes within organizations, and as summarized the performance appraisal process has at least three major purposes: (1) to provide employees with feedback, (2) to control employees with feedback, (3) to determine individual merit. Employee performance appraisal enables person to identify, evaluate and develop an individual's performance (Gabris & Ihrke, 2001).

According to (Mohr man, Resnick-West & Lawler, 1989) a complete appraisal system, include the following components: 1) two performance appraisal cycles that deal with immediate feedback and long-term career issues; 2) a decision about who defines performance; 3) how performance will be measured; 4) who will measure performance; and 5) what method will be used to gather performance information; and 6) effective feedback that is timely correctly and delivered by the appropriate person cited by Walsh (2003, p. 23). Appraisals should be timed so that they coincide with job characteristics and avoid peak periods of activity. The performance appraisal system needs support from top management to generate the requisite commitment from middle managers. An appeal process for employees to question or challenge their evaluation results lends credibility to the appraisal system.

Performance appraisal can motivate staff by clarifying objectives and setting clear future objectives with provision for training and development needs to establish the performance objective. These conflict with assessing past performance and distribution of rewards based on past performance Bach (2005, p. 301). Employees are reluctant to confide any limitations to and concerns with their current performance as this could impact on their merit-related reward or promotion opportunities. These conflicts with performance appraisal as a developmental process as appraisers are challenged with differing roles as both monitors and judges of performance appraisal, and an understanding counselors.

It is an employee's attitudinal response to his or her organization. As an attitude, job satisfaction is conceptualized as consisting of evaluative, cognitive and affective components. An individual's overall response to the employing organization is summarized in the evaluative component. It represents dislike vs. like for the organization. An individual's perceptions, opinion, beliefs and expectations regarding the organization are the focus of his or her cognitions. Employees hold cognitions about each of the four major inducement systems. Cognitions in which the individual perceives that his or her expectations have been met generally lead to positive evaluations. Additionally, positive evaluations are more likely when cognitions (expectations) support a positive and secure future with the organization.

According Chemed Diriba, (2012, p. 33) to performance appraisal should be fair and objective oriented, if it is for aligning employees to organizational goals and employees' development. Fairness is emphasized more specifically; trust will be developed if management acts fairly, equitably and consistently, if a policy of transparency is implemented, if intentions and the reasons for proposals or decisions are communicated both to employees generally and to individuals, if there is full involvement in developing reward processes, and if mutual expectations are agreed through performance management. Failure to meet these criteria, wholly or in part, is perhaps the main reason why so many performance-related pay schemes have not lived up to expectations. The starting point is to understand and apply the principles of distributive and procedural justice.

Most researches focusing on motivation is generally categorized as being about either (1) the links between performance ratings and rewards or (2) those elements of the performance appraisal process which increase ratees' motivation, such as participation Levy & Williams, 2004; Goss, 2001; Campbell et al., (1998) cited by Boachie-Mensah & Awini (2012, p. 75). One theme of some recent work is that although merit pay systems sound like a good idea, there is very little evidence indicating that they are at all successful.

2.1.3. Theories Related to Performance Appraisal Fairness and Performance Appraisal Satisfaction

The original version of social justice theory suggested that social exchanges were perceived as fair when people sensed that their contributions were in balance with their rewards (Adams, 1963). Authors suggested that the components of fairness, procedural as well as distributive, should have a positive impact on the employee in order to make him accept the whole procedure and its results without any reluctance. This fact is also evident in the studies' findings, which reveals the

employees consider the procedure-based fairness is more important than the equal distribution justice is (Alexander & Ruderman, 1987) cited by Warokka et al. (2012, p. 3). In addition, they are willing to accept some injustice in the outcomes if they perceive the procedure itself to be fair.

As the history of performance appraisal has shown there is great difference between assumptions of ideal, objective performance appraisals and how appraisals are actually been done. The former orientation refers performance appraisal as a tool or an instrument, which fairness is dependent on the accuracy of the assessment of the performance appraisal (Maaniemi J. & Hakonen, 2011, p. 10). This means that appraisals are tests offering a valid and accurate representation of how a person under appraisal has actually been behaving. This perspective stresses the importance of the valid and functional measures in performance appraisal but leaves in the same time the users and the objects of the system to a minor role (if you have a good system and instructions, everybody can use it!).

This perspective lies on three assumptions according to (Folger & Cropanzano); firstly, work arrangements allow for a reliable and valid performance assessment, secondly, raters can assess performance accurately and thirdly, a rational, unitary criterion exists as cited by (Maaniemi & Hakonen, 2011, p. 4).

Researchers have recently differentiated procedural from interactional justice by examining the source of the justice perception (supervisor or organization). As noted by Erdogan (2002, P. 558) (Masterson, Lewis, Goldman, and Taylor, 2000) argued that procedural justice is the fairness of the organization and interactional justice is the fairness of the supervisor. This definition equates the source (supervisor versus organization) and type (procedural versus interaction) of justice, which may be problematic for performance appraisals.

For example, the organization can develop fair appraisal criteria, but if raters do not actually apply these criteria, procedures cannot be fair. Even though raters apply the criteria, fairness of appraisal criteria is a procedural element, and should be captured under procedural justice. If raters do not actually execute the procedures developed by the organization, procedural justice will be reduced into a hollow construct, because without rater behaviors performance appraisal procedures cannot exist Erdogan (2002, P. 558). In order to resolve this issue, procedural justice may be thought of as a two-dimensional construct. Rater procedural justice refers to perceived fairness of procedures raters use during performance appraisals, whereas system procedural justice refers to perceived fairness of the performance appraisal procedures adopted by the organization. Rater and system procedural justice are likely to be related, but distinct constructs. However, they did not show whether these dimensions were different from other forms of justice. Using a two-dimensional conceptualization of procedural justice allows researchers to separate procedural justice of rater behaviors from interactional justice, and is therefore theoretically more accurate.

Specifically, what people perceived to be fair depends on their experience upon endorsed opinions regarding suitable ways to distributive outcomes and to treat others Greenberg (2001). Constant exposure to these standards produces expectations that serve as the basis for assessment of fairness Greenberg (2001). Behavior in compliance with these expectations is translated as acts of fairness, while breaches of these expectations are translated as acts of unfairness Greenberg (2001). Fairness has long been considered one of the key predictors of employees' affective states and behaviors. When the employees feel that they are being treated fairly, they reciprocate through satisfaction and commitment as cited by Sudin (2011, p. 68).

Regarding whether age, experience, and level of education of employees influence their perception of performance appraisal practices, (Gurbuz & Dikmenli, 2007) posit that the less experienced and youthful employees are relatively more anxious during appraisal than the more experienced and older ones cited by (Boachie-Mensah & Awini, 2012, p. 76). However, employees who undergo performance appraisal several times, regardless of their age, accumulate valuable information, knowledge and experience about its process and purpose through the feedback system. This eventually helps reduce their anxiety during subsequent appraisals.

Interactional justice can be defined as the fairness of interpersonal interaction during the performance appraisal session. Performance appraisal requires substantial amounts of communication between raters and ratees. During this interaction, individuals expect to be treated respectfully. The fairness of interpersonal communication during appraisal process constitutes interactional justice perceptions. Interactional justice differs from rater procedural justice in that rater procedural justice is concerned with how fairly the rater implements procedures, whereas interactional justice is concerned with the fairness of the communication process. For example, the extent to which the rater uses the appraisal system as it is intended by the organization is part of rater procedural justice. The extent to which the rater is considerate, kind, and respectful is a component of interactional justice. These definitions are likely to make procedural and

interactional justice more consistent with underlying theories. It is also important that they perceive that they are being evaluated against what they are actually supposed to do on the job.

Another mechanism by which justice perceptions may influence performance is perceived accountability. Accountability can be defined as the implicit and explicit belief that one is expected to justify one's actions to others (Scott & Lyman, 1968) as cited by Erdogan (2002, P. 571). In other words, when individuals are given performance reviews, it is assumed that they will perceive the need to justify their performance-related actions, and therefore feel more accountable toward the organization and leader. Perceived accountability resulting from performance appraisals is expected to motivate individuals to maintain their high performance or increase their performance.

However, the existence of a formal performance appraisal system may not ensure that individuals perceive accountability. Therefore, it is necessary to identify characteristics of performance appraisals that lead to higher levels of accountability. According to Erdogan (2002, P. 572), perceived accountability after a performance appraisal is likely to be higher when individuals perceive distributive justice during the performance appraisal. When ratings are equitable and reflect their actual performance, individuals are likely to perceive higher levels of accountability for performance in the future. Favorable inequity in ratings may create the feeling that the supervisor does not really perceive one's weaknesses, or poor performance is not being punished, and therefore may reduce the perception of accountability toward the leader. Unfavorable inequity will likewise weaken the perceived relationship between performance and outcomes, and therefore it will reduce accountability perceptions for maintaining and increasing high performance.

2.2 Review of Empirical studies

2.2.1. Performance Appraisal Fairness

Organizational justice has developed over the past forty years to include distributive, procedural, and interactional theories. From these theories, researchers have come to accept a four-factor model of organizational justice, which includes distributive justice, procedural justice, and two classes of interactional justice, specifically, informational and interpersonal justice. Fairness consists of three types of subjective perceptions, typically referred to as distributive justice, procedural justice and interactional justice (Adams, 1965; Leventhal, 1980).

"Greenberg (1986b)" was one of the first to apply generational justice theory to performance evaluation. He posed the basic research question as to what makes a performance appraisal appear to be fair." And again conceptualization of the four types of justice provides a basis to more clearly examine the social perceptions related to organizational justice in systems Greenberg's (1993) cited by Walsh (2003, p. 36)

In other words, Greenberg (1986) investigated if it was what one receives (rating or other outcome) or how it is decided that makes an appraisal seem fair. His work Greenberg (1986) supported earlier research by (Landy, Barnes & Murphy 1978) which showed that employees were more likely to accept an appraisal system and believe that their performance was rated fairly under certain conditions.

Full ford (2005) argued that the concept of organizational justice is a multi-dimensional construct that describes the role of fairness in an organizational context. Cremer (2005) proposed that the interaction between procedural and distributive justice is most likely to be observed when employees show a strong sense of affiliation with their organization as cited by Sudin (2011, p. 68).

Organizational Justice: A number of debates can be found in the justice literature relating to construct discrimination, measurement and analysis, especially the distinctiveness of the justice dimensions. Some researchers have made no effort to separate procedural and distributive justice and instead treat them as one overall justice concept (Martocchio & Judge, 1995). A similar issue applies to procedural and interactional construct discrimination, where some researchers treat interactional justice as a third justice measure, while others consider it a subset of procedural justice Colquitt (2001). In order to test for the potential mediating impact of organizational justice on employee outcomes at a deeper and more refined level of analysis, three justice constructs were used, with procedural and interactional justice being treated as separate measures. In this way tests could, if necessary, be conducted by combining measurement scales at a later stage. Thus, three justice scales were used to measure (1) distributive justice, (2) procedural justice, and (3) interactional justice. Prior studies also revealed that the employees' perception on each component of organizational justice influenced their work performance, especially when they were under the performance appraisal process. As noted by Warokka et al., (2012, p. 6) this concern also affected the employees' satisfaction with their work outcome, which will lead inevitably to the organization effectiveness Suliman (2007). Performance appraisal system, in which the employees perceived it as an unfair process, will potentially become a source of disputes, mistrust, disrespect, and other social problems.

According to (Maaniemi & Hakonen, 2011, p. 27) study the instrumental and relational perspectives of the justice literature, (Folger & Bies) have proposed seven rules that managers should follow in order to promote fair procedures: (1) consideration of employees' point of view, (2) bias-suppression, (3) consistency, (4) timely feedback about decision outcomes, (5) supervisors' truthfulness in communications with employees, (6) polite and courtesy treatment of employees, (7) sufficient justification for an outcome decision.

A second issue to consider was the context in which fairness is to be judged. Gilliland and Paddock (2005) argued against investigating justice in a context-free manner as generic items were believed to be less informative, since they do not tell us the specific aspect of the work situation the respondents had in mind when reporting their fairness perceptions. This issue of context is especially important in investigating the impact of performance appraisal practices on employee outcomes with a focus on the 'system' as a whole, rather than a series of individual practices. It is evident that in most firms, employees are typically exposed to a host of HR practices simultaneously Takeuchi et al., (2009), and outcomes should operate at the system level Ichniowski et al., (1997). As a result, respondents in this study were asked for fairness perceptions across each individual practice making up the compensation, performance management.

It offers the opportunity to more comprehensively study and organize employees' perceptions of fairness concerning performance appraisal and appraisal systems. The proposed model includes the following four types of justice perceptions: systemic (structural -procedural); informational (social-procedural); configural (structural-distributive) and interpersonal (social-distributive). So, the perceptions of fairness and satisfaction of employees on the performance appraisal practices of their institution are one way or the other related to these four major factors (models).

Distributive justice deals with outcomes fairness and in performance appraisal context, appraisal ratings are outcomes Jawahar (2002). The second factor, procedural justice is associated with the fairness perceptions of the standards followed, methods and processes used for appraising performance of employees. The third factor is called interpersonal justice, which deals with appraisees' perceptions about the treatment of supervisor. Fourth factor in performance appraisal and appraisal systems related to fairness is called informational justice, it means providing appraisees all the information relevant to decisions or appraisal process Greenberg (1993a) cited by Ikramullah, M. et al. (2011, p. 92).

According to Warokka et al., (2012, p. 12)

for the Irish sample, distributive justice perceptions predicted affective commitment ($\beta = 0.30, p < .001$), normative commitment ($\beta = 0.27, p < .001$), and tenure intent ($\beta = 0.15, p < .01$) positively and in the hypothesized direction. Similarly, for the Irish sample, procedural justice perceptions predicted affective commitment ($\beta = 0.27, p < .001$), normative commitment ($\beta = 0.16, p < .001$), and tenure intent ($\beta = 0.26, p < .001$) positively and in the hypothesized direction. However, for the Indian sample, procedural justice perception had a statistically significant and positive relationship with affective commitment ($\beta = 0.44, p < .001$) and distributive justice perception had no effect on affective commitment. Further, in the Indian sample, in the equation predicting normative commitment, distributive justice perceptions ($\beta = 0.27, p < .001$) had a statistically significant and positive relationship with normative commitment but procedural justice had no such effect. Similarly, in predicting tenure intent, among the Indian sample, only procedural justice was significant and positive ($\beta = 0.29, p < .001$) and distributive justice was not. Overall, barring the model predicting normative commitment, procedural justice appears to be more important to Indians than distributive justice.

Ratee reactions to performance appraisal have been categorized into: (1) reactions to the appraisal process, (2) reactions to the appraisal structure or format, and (3) reactions to multi-source appraisal or feedback (Levy & Williams, 2004) cited by (Boachie-Mensah & Awini, 2012, p. 76). They claim that an appraisal system will be ineffective if rates (and raters) do not see it as fair, useful, valid, accurate, etc. Measuring appraisal effectiveness involves, among other things, assessing perceptions of or actual rater errors and biases, rating accuracy and reactions of raters and ratees about the performance appraisal practices.

2.2.2. Performance Appraisal Satisfaction

Since performance appraisal systems will allow communicating strategies, goals and vision, employees should experience higher levels of commitment to organizational goals and, therefore, become more affectively committed to their organization. There are main critical consequences of performance appraisal in organizations. Different research papers quoting scholars: the five benefit areas of an efficacious performance appraisal system include: determines pay; explains and communicates pay decisions, provides the subordinate with development information and support, fosters mutual task definition and planning of future work goals, documents and recognizes subordinate's performance and allows the

subordinate to provide feedback about feelings, supervision and definition of work (Bernardin & Beatty, 1984; Landy & Farr, 1983; Latham & Wexley, 1981; Lawler, Mohrman, & Resnick, 1984; Murphy & Cleveland, 1995) as cited by Walsh (2003, p. 23).

There are many suggestions about attributes that make procedures perceived as fair. In this study these attributes are referred as fairness rules. Some researchers emphasize more instrumental value of the procedures while others are focusing on the relational side of the procedures.

According to Leventhal expanded the attributes of the fair procedures to six items. These items or rules can be interpreted in performance appraisal context as following (Maaniemi & Hakonen, 2011, p. 14);

- A. **Consistency:** maintaining consistency in performance standards over time and among employees.
- B. **Bias-suppression:** constraining self-interest by discussing performance expectations and discrepancies.
- C. **Accuracy:** training managers and employees to record performance accurately throughout the period and use this record to prepare and justify performance evaluations.
- D. **Correct ability:** instructing managers to listen to the employees opinions and change the evaluation if appropriate.
- E. **Representativeness:** discussing concerns of the employee and manager throughout each stage of the process.
- F. **Ethicality:** using procedures that are compatible with existing moral and ethical standards.

Different research findings of respondents suggested that performance appraisal system fails to communicate the feedback to employees on time, employees are not clear about the purpose of performance appraisal, the timing of performance appraisal and employees have no the opportunities of learning around their work place specifically like: in sharing of information for improvement and employees' participation in making suggestions; respondents replied negatively (Eniye Dargie, 2007, p. 52 & Desalegn Amlaku, 2010, p. 73). The philosophy of performance management emphasizes the importance of employees planning how they are going to achieve their objectives, and then obtaining feedback data themselves. The rapid development of management information systems in recent years has increased the capacity to provide quantitative and timely feedback.

From those prior studies, arguably we can define that there are four activities in the performance appraisal cycle in organizations, namely, defining the performance, measuring and evaluating the

Performance, giving feedback to the employee, and applying the results in the different organizational system as noted by Warokka et al., (2012, p. 7). By using this performance appraisal method, an organization can evaluate the level of performance of an employee and keep the record of their performance achievement as well. Meanwhile, one important function of performance appraisals is to encourage, guide, and improve employee performance. To be effective, the performance appraisal must be relevant and the measurement standards must be clear. Relevance refers to the degree to which the performance measurement includes necessary information; that is, information that indicates the level or merit of a person's job performance. To be relevant, the appraisal must include all the pertinent criteria for evaluating performance and exclude criteria that are irrelevant to job performance.

As many authors were agreed upon about the performance appraisal practices that would better be effective if formats were designed taking into account nature of the job employees are accomplishing, their positions, and qualifications etc. Moreover, appraisal criteria should be updated from time to time with changes taking place in the external environment and allowing employees to involve in setting performance standards so as to enhance the connection between employee job and performance criteria and the other key issue is that management should not unnecessarily interfere in the process Meseret Yazachew (2007, p. 76).

In addition, the research findings said that the management's contribution for employees' job performance is low; this is mainly associated with absence of identified mentors and coaches, low gap filling roles of performance managers and absence of autonomy in doing jobs enterprises and finally, performance planning is much weaker in the public enterprise in comparison to the privatized Mathias Nigatu, (2011, p. 58).

Despite the widespread use of the aforementioned methods, there are dissatisfactions and problems with the feedback systems associated with single source performance appraisal (Gurbuz & Dikmenli, 2007) cited by (Boachie-Mensah & Awini, 2012, p. 76). In response to the concerns raised, considerable emphasis has been placed on developing multi-source feedback systems. It is useful to implement a variety of the appraisal methods simultaneously in an organization to a wide range of job-performance information for effective decision-making.

The current studies emphasized that the performance appraisal practices have not defined criteria and are not engaging with the participations of all employees and, accordingly, organizations are did not want to adopt best practices of performance appraisal would manifests differently from institution to institution. For instance, raters and the performance appraisal system itself are the major sources of problems in the appraisal process. In this respect, employees' contribution towards the problem is relatively low Zelalem Bayisa (2007, p. 58). As he used questionnaires designed using Likert scale and the open ended questions shown that a performance appraisal is done simply to fulfill formalities, and hence no subsequent action is taken after the evaluation is over. Moreover, respondents argued that there is not timely feedback, lack of transparency; inconsistency, inaccuracy, and subjectivity of the rating were identified to be the major sources of problems Zelalem Bayisa (2007, p. 59). This is supported by Chemeda Diriba (2012, p. 112) and (Bernardin & Beatty, 1984) suggested that employee reactions to performance appraisal systems are usually better indicators of the overall viability of a system than the more narrow psychometric indices such as leniency and halo.

In other words, performance appraisal system has many or multidimensional problems in Ethiopian institutions context; there is no written policy about the performance appraisal system and the objective of performance appraisal & there is no standard set to which the performance appraisal result is to be compared with it. Again there is no training given for both appraisers and apprisees about how to conduct performance appraisal and its objective. This is supported by the findings of (Eniye Dargie, 2007, p. 53, & Chemeda Diriba, 2012, p. 113 & Nigatu Teshome, 2007, p. 38 & Mohammed Saeed, 2011, p. 40)

According to research finding suggested that higher officials of MoFED is not providing clear path for employees to advance their career, also they do not allowed employees to participate in decision making process and disciplinary measures of the organization are not properly lay down Asmamaw Argeta (2011, p. 49).

A general definition of affect involves liking or positive regard for one's subordinate Lefkowitz, (2000). As (Forgas & George's (2001) study suggests that affective states impact on judgments and behaviors and, in particular, affect or mood plays a large role when tasks require a degree of cognitive processing. On the other hand, the traditional approaches to evaluating performance appraisal systems have not adequately considered the complex personal, interpersonal, and organizational factors that affect the efficacy of performance appraisal in the organization settings.

According to Walsh (2003, p. 16)

In spite of the current ubiquitous use of performance appraisal systems and its perceived importance in the future there is considerable contention over its efficacy and usefulness. Surveys through the years have indicated relative lack of satisfaction towards the effectiveness of performance appraisal systems in both private and public organizations. Bricker (1992) reported survey results indicating that just 20 percent of American companies were very satisfied with their performance review process. A 1990 Industry Week survey of readers indicated that only 18 percent responding that their reviews were very effective. This was down from 20 percent in 1987. Thirty-one percent of the respondents found reviews to be not very effective or a waste of time Verespej (1990). A Wyatt Company survey of 900 companies found that only ten percent of companies indicated satisfaction with their employee evaluation programs (Small Business Report, 1993). Thirty percent were dissatisfied and 60 percent were not convinced one way or another. A 1997 nationwide survey of human resource professionals by the Society for Human Resource Management found that only five percent of the respondents were very satisfied with their organization's performance evaluation system and that 42 percent were dissatisfied to some extent (Barrier, 1998). It should be noted that most of these figures were obtained from surveys often completed by human resource professionals and other organizational managers and do not reflect any rigorous evaluation of performance appraisal processes or systems.

Employee performance appraisal enables person to identify, evaluate and develop an individual's performance. It is a tool to encourage strong performers to maintain their high level of performance and to motivate poor performance to do better Scott (2001). By its very nature, appraising is a judging process with a high degree of subjectivity (Nathan, Mohrman & Milliman, 1991) cited by Sudin (2011, p. 68). Hence, performance appraisal systems become one of the most intricate human resource techniques (Holland et al., 2005; Roberts, 1992) and serve as great paradoxes of efficient human resource management (Taylor et al., 1995; Gibbons & Kleiner, 1994).

Up on higher institutions there were many authors discussed, multidimensional problems or limitations were agreed about the performance appraisal practices of higher education institutions: organizational particularity (flatter structure, more collegial than hierarchical management, weaker control and regulation mechanisms Simmons (2002, p. 86); even though human resources are the most valuable asset of higher education institutions, the accounting and administration of

personnel predominates over managing approach Decramer et al. (2008); distinction of human resources (personnel in universities usually possess more self-discipline, freedom of action, decision-making, stand to professional standards and code of ethics and their status derives basically from their personal competence, knowledge and excellence (Simmons & Iles, 2001).

In Ethiopian context, most employees of public higher education institutions less believe in the existence of performance appraisal than those of private ones Chemedir Diriba (2012, p. 112). He also suggests that the performance appraisal process that doesn't meet the organizations and employees goal is a waste of time. Performance appraisal is a waste of time. According to many studies, that every organization in Ethiopia is guided by the rules and regulations of the federal and state agencies of its respective country and employees should not have to be sharing of knowledge, information culture and good team work spirits that perceives the existing culture. In this respect, the Federal civil service commission is the agency in charge (Nigatu Teshome, 2007, p. 26 & Desalegn Amlaku, 2010, p. 73).

According to the research findings, most institutions have not been using the performance appraisal procedures and standards. This is supported by no employee has been fired and punished or taking corrective measure in relation to performance-related problems Meseret Yazachew (2007, p. 77).

2.2.3. Performance Appraisal Fairness and Performance Appraisal Satisfaction

Organizational justice scholars use the terms fairness and justice interchangeably. For these scholars, fairness is an important yardstick that employees use to assess outcomes employees' perceptions about the fairness of managerial decisions relative to the distribution of outcomes such as pay, promotions, etc (Folger & Konovsky, 1989). In contrast, procedural justice focuses on the fairness of the manner in which the decision-making process is conducted (Folger & Konovsky, 1989).

Organizational fairness which highly related to performance appraisal has provided additional insight into perceptions of fairness and employee satisfaction. (Tang & Sarsfield-Baldwin, 1996) found a relationship between distributive justice and personal level job satisfaction and between procedural justice and organizational commitment. These researchers developed scales for procedural and distributive justice and used them to predict satisfaction with pay, promotion, supervision and their performance appraisal. The above authors suggest that understanding the source of perceived injustice can help organizations improve overall justice perceptions by focusing improvement efforts on the appropriate source of either rater procedural justice or system procedural justice. Employees expect from the beginning the organization to develop appropriate performance criteria and communicate these to them. However, it is the role of the supervisor to conduct a fair hearing through performance appraisal and to provide feedback.

So it is necessary to establish a fair in organization so that employees could be rewarded or punished on the basis of their actual job performance, rather than on personal likes or dislikes of supervisor or other irrelevant assessment criteria. Likewise, it is also important that management should give full attention to employees' fairness perceptions of performance appraisal systems (Roberson & Stewart, 2006) cited by Ikramullah, M. et al., (2011, pp. 94). Interactional justice has been shown to impact employee outcomes such as job satisfaction Masterson et al., (2000).

Many researches argue that in the performance appraisal context, procedural justice can be conceptualized as two-dimensional: system procedural justice and rater procedural justice (Erdogan, Kraimer & Liden, 2001) cited by Walsh (2003, p.36). Their study indicates that the two factors are independent. Different components of due process were related to different dimensions of procedural justice. Knowledge of performance appraisal criteria and validity of appraisal criteria are related to system procedural justice whereas fair hearing and performance feedback are related to rater procedural justice. These investigated the impact of alternative appraisal categories available for rating employee performance (rating segmentation) on motivation and perceptions of fairness. The researchers found that the rating system and the performance rating itself affected perceptions of distributive justice.

Procedural justice has also been shown to relate to other people management issues such as trust in management, job satisfaction, employee commitment, staff turnover, work effort and work pressure (Masterson et al., 2000; McFarlin & Sweeney, 1992).

Organizational justice scholars use the terms fairness and justice interchangeably. It can be categorized into two broad areas called "structural justice" and "social justice". Structural justice refers to the structural elements of the organization that allow for employee's involvement in decision making and provide for the fair distribution of outcomes.

Distributive Fairness: Referring to the equity theory, employees will modify the quality or quantity of their work to restore justice. When employees perceive justice in the organization, they are less likely to seek opportunities to balance

things out by increasing their own benefits at the company's expense. The logic of distributive justice is straightforward – participant satisfaction is increased when one believes that the resolution of the dispute is fair and favorable.

Procedural Justice: Theory and research has established that procedures are judged as fair if they are implemented consistently, without self-interest, on the basis of accurate information, with opportunities to correct the decision, with the interests of all concerned parties represented, and following moral and ethical standards Jawahar (2002). Procedural justice towards employees is a basis for employee commitment. Procedural justice influences individuals' perceptions of fairness in regard with pay raises and promotions as well as organizational commitment and job satisfaction Jafari et al., (2011). Procedural justice suggests that satisfaction is a function of process (the steps taken to reach that decision) Nabatchi et al., (2007).

If performance appraisals are perceived as unfair, therefore, the benefits of performance appraisals can diminish rather than enhance employee's positive attitudes and performance (Thomas & Bretz, 1994) cited by Warokka et al., (2012, p. 7). Specifically, the perceptions of procedural unfairness can adversely affect employee's organizational commitment, job satisfaction, trust in management, performance as well as their work-related stress, organization citizenship behavior, theft, and inclination to litigate against their employer.

One antecedent to distributive and procedural justice of performance, appraisal is social justice between groups and employees. When we do not compensate employees fairly, by basing their compensation on work results, then the employees waste their time rather on getting the desired levels of compensation and not on improving their work cited Chemed Diriba (2012, p. 33). According to Susan (1995), performance evaluation system is fair if: 1) It provides adequate notice; 2) fair hearing which requires a formal review of meeting in which an employee is informed of a tentative assessment of his/her performance and employees are permitted to challenge the assessment; and 3) Judgment based on evidence that requires the organization to apply performance standards consistently across employees.

Interactional Justice: Interactional justice is defined as the quality of interaction that an individual receives during the enactment of organizational procedures Jafari et al., (2011) Greenberg (1993) has argued that interactional justice should be divided into two distinct components, informational justice and interpersonal justice. These two subcategories of informational and interpersonal justice overlap considerably; however, research suggests that they should be considered separately, as each has differential effects on justice perceptions.

According to (Maaniemi & Hakonen, 2011, p. 26), interactional justice is proposed to have at least two components by itself. The first one is interpersonal sensitivity which refers to politeness and respectfulness of the procedures. The second subpart is explanations or social accounts. People are more willing to accept decisions that are properly explained or justified.

Informational Justice: focuses on the enactment and explanation of decision making procedures. Research suggests that explanations about the procedures used to determine outcomes enhance perceptions of informational justice. Explanations provide the information needed to evaluate the structural aspects of the process and how it is enacted; however, for explanations to be perceived as fair they must be recognized as sincere and communicated without ulterior motives, based on sound reasoning with logically relevant information, and determined by legitimate rather than arbitrary factors Nabatchi et al., (2007).

Interpersonal Justice: reflects the degree to which people are treated with politeness, dignity, and respect by authorities. The experience of interpersonal justice can alter reactions to decision outcomes, because sensitivity can make people feel better about an unfavorable outcome. Interpersonal treatment includes interpersonal communication, truthfulness, respect, propriety of questions, and justification, and honesty, courtesy, timely feedback, and respect for rights Colquitt et al., (2006).

That found that fair interpersonal treatment by the supervisor elicits positive attitudinal reactions from recipients towards both the supervisor and the organization as Walsh (2003, p.48) noted that (Leung & Morris, 2001). Fair interpersonal treatment had both direct and indirect paths to attitudes towards the supervisor while the effects of just formal procedures were primarily directed to the organization. He also cited that (Cobb, Vest & Hills, 1997) studied whether, and to what extent, workers see either formal policies and procedures or the organizational agents (their supervisors) who apply them as the source most responsible for the procedural fairness they receive in their performance evaluation. Results indicated that workers perceived shared, yet independent responsibility for delivery of procedural justice between supervisors and formal policies.

Understanding fairness or organizational justice in performance appraisal process and practices is extremely important for organizations because of its relationship with employees' job satisfaction and organizational commitment and,

subsequently, their propensity to search for another job. This is supported by (Cardy & Dobbins, 1994) suggest that “with dissatisfaction and feelings of unfairness in process and inequity in evaluations, any performance appraisal system will be doomed to failure. The experience of interpersonal justice can alter reactions to decision outcomes, because sensitivity can make people feel better about an unfavorable outcome. Interpersonal treatment includes interpersonal communication, truthfulness.

2.2.4 Employees’ Perceptions on Performance Appraisal

According to (Mohrman, Resnick-West, & Lawler, 1989) which cited by Warokka et al., (2012, p. 6) documented some potential benefits of highly performance appraisal policy, such as increased motivation to perform effectively, gained new insight into staff and supervisors, distributed rewards on a fair and credible basis, and encourage increased self-understanding among staff as well as insight into the kind of development activities that are of value. Richards (2010) found that performance appraisal can provide an indication of areas of training need as well as direction for leadership development, performance improvement, and succession planning.

According to (Murphy & Cleveland, 1991) state that when the following criteria are met, performance appraisals are most likely to be perceived by employees as accurate and fair: 1) Appraisals are conducted frequently; 2) There is a formal system of appraisal; 3) Supervisors have a high degree of job knowledge; 4) Ratees have an opportunity to appeal ratings; 5) Performance dimensions are seen to be highly relevant; 6) Action plans are formed for dealing with present weaknesses; and 7) The organizational climate is cooperative rather than competitive cited by Walsh (2003, p. 24).

In addition to the above employees’ perceptions the other finding suggested that the management of particularly the Addis Ababa University and St. Merry University college did not care for their employee’s welfare and but instead of caring for their employee’s welfare, the management focused on achieving their objectives of securing high profit by saving from the human resource cost. Employees of the college perceived that they get much lesser than the effort they are required to exert on performing their jobs Berhan Ayenew (2007, p. 66). According to his findings majority of the respondents’ perceptions due to poor recognitions of performance appraisal process that there lacks organizational commitment and the employees did not have a psychological attachment to continue with the colleges.

In adding up the employees’ perceptions the other finding suggested that employees of the organization have no sense of belongingness to the organization, have no future hope of getting better benefits and employees stayed in the organization because they do not have other alternative job Asmamaw Argeta (2011, p. 50).

Most employees are not satisfied due to poor performance appraisal management systems in every Ethiopian organization at both public and private institutions. It is because the employees have not measured equally and with uniform standards. Measurement is followed by feedback, so that people can monitor their performance and, as necessary, take corrective action.

In addition, the research findings said that the management’s contribution for employees’ job performance is low; this is mainly associated with absence of identified mentors and coaches, low gap filling roles of performance managers and absence of autonomy in doing jobs enterprises and finally, performance planning is much weaker in the public enterprise in comparison to the privatized Mathias Nigatu (2011, p. 59).

In the other hands, for Ethiopian context the employees to have a positive perception and to be satisfied by the performance appraisal system, the organization need to ensure that: appraisals are conducted frequently; there is a formal system of appraisal; supervisors have a high degree of job knowledge; ratees have an opportunity to appeal ratings; performance dimensions are seen to be highly relevant; action plans are formed for dealing with present weaknesses; and the organizational climate is cooperative rather than competitive Nigatu Teshome (2007, p. 26).

If an appraisal within a company is carried out without any rules, transparency, and prospect of things linked to it, it might cause severe troubles, not only can it damage the climate at workplace and lead to decrease in productivity.

In general, research indicates Smither (1998) cited by Warokka et al., (2012, p. 6) that perceptions of fairness arise from consideration of the outcomes received (outcome fairness); the procedures used to determine those outcomes (procedural fairness); and the way in which the decision-making procedures were implemented and explained (interpersonal fairness). This description of the components of fairness draws heavily on the area of organizational fairness. Therefore, to handle the issue of managing organization effectively, it is important to any top management to set a performance appraisal system accurately and meet the employees’ sense of fairness.

III. RESEARCH METHODOLOGY

3.1. The Study Design

As the main purpose of this study is to assess employees' perceptions of fairness and satisfaction towards the performance appraisal practices in the University of Gondar, Thus, cross sectional descriptive survey design was found to be appropriate for the same purpose as noted by Gay (1992) and Newman (2003): "descriptive survey design was appropriate and helpful in determining the perception and attitude of respondents"

3.2 Population and Sampling Design

3.2.1. Population of the Study

The study with a total population of 1913; had two strata i.e. the academic staff members (1192) and the administrative staff members including delegated instructors at different administrative positions (721). The employees who did have below diploma educational levels and one year work experience were not included in this research.

The sample size (243) determined based on the sample size determination formula for continuous data as cited by Walsh (2003, p. 59) from (Cochran & Snedecor, 1980). Here, in the study, the information used in this formula included with acceptable risk (Z at 0.05 for N = 1913 is 1.96), estimated variance (1.25) and acceptable margin of error of plus or minus two percent (0.02 x 5) a five point Likert-type response scale. A five percent risk that the actual margin of error might be exceeding the acceptable margin of error utilized and sample size calculated by the formula:

$$N_i = \frac{z^2 S^2}{E^2} = \frac{(3.8416)(.7225)}{(.01)} = 278$$

$$\text{Thus, } n = \frac{N_i}{1 + \frac{N_i}{N}} = \frac{278}{1 + \frac{278}{1913}} = 243$$

Where; N = population size

N_i = unadjusted sample size

n = adjusted sample size

E = acceptable margin of error

S = estimated variance

Z = acceptable risk

Therefore, by utilizing the above formula, the minimum required sample size was to be 243 and also it was anticipated that five percent (12) unreturned questionnaires through different reasons. Thus, the sample was distributed up to 255 respondents proportionally under the sample frame in the University. Questionnaires were distributed to those permanent academic and administrative employees and collected during the month of April, 2013. Of the 255 questionnaires distributed, 230 (91%) were collected and used for data analysis purposes.

3.2.2. Sampling Design

3.2.2.1 Sampling Method

The University was so huge and diversified in terms of number, academic qualification, job's variety and other parameters, the participants' perceptions of fairness and satisfaction on various issues like performance appraisal practice has expected to be varied accordingly. Thus, stratified random sampling method applied to avoid such heterogeneity of the population.

The following explanation by Kothari (2004, p.62), in his research methodology book, complements the above rationale of this study for adopting the stratified sampling design.

If a population from which a sample is to be drawn does not constitute a homogeneous group, stratified sampling technique is generally applied in order to obtain a representative sample. Under stratified sampling the population is divided into several sub-populations that are individually more homogeneous than the total population (the different sub-populations are called 'strata') and then we select items from each stratum to constitute a sample. Since each stratum is more homogeneous than the total population, we are able to get more precise estimates for each stratum and by estimating more accurately each of the component parts, we get a better estimate of the whole. In brief, stratified sampling results in more reliable and detailed information: diversified nature of the overall target population

and associated naturally occurring variations and the nature of the study-its objective to compare the three target groups

3.2.2.1. Sampling Frame

The study was used the explanatory research method through the stratified sampling method that engaged from both academic and administrative staff members (diploma and above). The administrative staff members includes all permanent employees in the University such as presidents, directors, team leaders, officers and other non-instructor employees in hospital, college, schools and faculties. In short, the following detailed sampling frame used to designate the subtotal of the population and the number of participants to be sampled proportionally from the total 255 samples of the study.

Table 2:1: Sampling Frame

No	Respondents	Qualifications of Respondents						Total	
		Diploma		Degree		Master and above			
		Sampling Unit	Sample	Sampling Unit	Sample	Sampling Unit	Sample	Population	Sample
A	Academic Staff	84	11	371	49	637	85	1092	145
B	Administrative	456	60	190	24	8	1	654	85
C	Supervisors	0	0	83	11	103	14	186	25
D	Non-supervisors	540	71	561	73	645	86	1746	230
	Total	540	71	628	84	745	100	1913	255

Source: Developed for this study

3.2. Data Collection Procedures

3.3.1. Sources and Types of Data

Generally, the study had both primary and secondary data sources. The primary data collected from the responses overall representatively sampled participants using the questionnaire quantitatively measured on a five point Likert's scale.

The study adapted 73 items of the standardized questionnaire of Walsh (2003, p. 59) who studied with title of "perceived fairness of and satisfaction with employee performance appraisal" which somewhat related to the objective of the study. And again he has taken this tool from empirical researches Gabris & Irhke, 2000; Greenberg, 1986b; Keeping & Levy, 2001; Landy, Barnes, & Murphy, 1978; Taylor, Tracy, Renard, Harrison & Baldwin, 1996, Taylor, Tracy, Renard, Harrison & Carroll, 1995)

3.3.2. Instruments

The fairness perceptions were measured through scales distributive justice, procedural justice; interpersonal justice and informational justice (see Appendix 1). These scales were developed by Thurston (2001) and the study adapted from Walsh (2003, p. 59). Many researchers like (Ikramullah, M. et al., 2011, p. 95 & Gerákné, 2008, p. 9) adapted Walsh's measuring scales to measure perceptions of fairness and justice in performance appraisal.

Questionnaire consists of three sections. Section one focused on the demographic information of the respondents and sections two focused on employees' fairness perception of four dimensions distributive justice with 2 scales consists 12-items, scales include; accuracy of performance ratings and concern over ratings. Procedural justice with 3 scales consists of 17-items, scales include; setting the performance expectations, raters confidence and seeking appeals. Informational justice with 3 scales consists of 17-items, scales includes clarifying expectation standards, providing feedback, rating decisions =17 items and interpersonal justice with 2 scales consists of 10-items, scales includes respectfulness and sensitivity of supervisions with totally with 56 items. Sections three focused on satisfaction on performance appraisal practices with 17 items. I reversed the three negatively items during the SPSS analysis. It was prepared in English since the respondents selected above diploma and for having known how about perceptions of fairness and satisfaction of the performance appraisal. It is attached in appendix-1.

3.3.3. Study Variables and Quality of Data

3.3.3.1. Study Variables

The study has two variables namely independent variables of employees' perception of organizational fairness (distributive, procedural, informational and interpersonal) and dependent variable of satisfaction towards performance appraisal practices currently being used, as perceived by the employees of the University of Gondar.

3.3.3.2. Validity

Validity is the most critical criterion and indicates the degree to which an instrument measures what it is supposed to measure. Validity can also be thought of as utility. In other words, validity is the extent to which differences found with a measuring instrument reflect true differences among those being tested. The questionnaire in the study was the only data gathering tool adapted from Walsh (2003, p. 59) and he was adapted again from Gabris & Irhke, 2000; Greenberg, 1986b; Keeping & Levy, 2001; Landy, Barnes, & Murphy, 1978; Taylor, Tracy, Renard, Harrison & Carroll, 1995; Williams & Levy, 2000). Many researchers like (Ikramullah, M. et al., 2011, p. 95 & Gerákné, 2008, p. 9) adapted Walsh's measuring scales to measure perceptions of fairness and justice in performance appraisal.

The questionnaire or instrument is consistently using to measure the satisfaction of performance appraisal practices with the indicators of employees' perception of organizational fairness (distributive, procedural, informational and interpersonal). Responses were measured on five point Likert scale with 1= strongly disagree, 2= disagree, 3= no option, 4= agree, and 5 = strongly agree. Response category: strongly disagree (1.50 or less), disagree (1.51 – 2.50), no option (2.51 – 3.49), agree (3.50 – 4.49) and strongly agree (4.5 or greater).

3.3.3.3. Reliability

The test of reliability is another important test of sound measurement. A measuring instrument is reliable if it provides consistent results. Reliable measuring instrument does contribute to validity, but a reliable instrument need not be a valid instrument. Accordingly reliability is not as valuable as validity, but it is easier to assess reliability in comparison to validity. The stability aspect is concerned with securing consistent results with repeated measurements of the same person and with the same instrument. The degree of stability is positively correlated with degree of reliability, higher degree stability results in higher degree of reliability that the results are repeatable Charles (1995) as cited Oumer Mohammed (2012, p. 42) in University of Gondar.

Cronbach's alpha scores were used to check the reliability of the subscales for all instruments in the study. As the sample or pilot survey taken for two weeks in 30 respondents from 10 for each diploma, degree and masters; all scores fell within an acceptable range of .934 to .971 for all dimensions of independent variables of with their items distributive, procedural, informational and interpersonal justice and dependent variable of performance appraisal practices considered as reliable questionnaire and presented below.

Table 3: 2: Pilot Test taken

No	Variables	Items of Questionnaire	Score for Chrompach alpha
1	Distributive and justice	12	.934
2	Procedural,	17	.966
3	Informational	17	.963
4	Interpersonal	10	.960
5	Performance Appraisal Practices	17	.971

3.4. Data Analysis Method

After the primary and secondary data gathering procedures completed, the collected data checked throughout the different phases (editing, coding, data entry and data analysis). Quantitative data analysis techniques employed. The SPSS statistical package was going to be used to analyze the data gathered using the questionnaire quantitatively. To confirm the validity, reliability and the collinear problem of constructs, the study used Pearson's correlation analysis and descriptive statistics (Tabachnick, Barbara, & Fidell, 2001; Yaacob, 2008) and then multiple regression analysis was recommended to assess the magnitude and direction of each independent variable, and measure the effect of the mediating

variable in the relationship between many predictor variables and one measured variable (Foster, Stine & Waterman, 1998) cited by Warokka et al., (2012, p. 12).

Thus, the hypothesis 1 and 2 were analyzed by descriptively through mean and standard deviation with the help of one sample t-test. And the rest four hypotheses were inferential statistics applied in analyzing by using correlation and multiple linear regression analysis to compare the fairness perception and job satisfaction as mentioned by Sekaran (2000, p. 401). And then practicality test should be taken for those of significant variables to verify the practicality amongst variables. Finally, the results triangulated and presented using tables and graphs.

3.5. Model Specifications/Assumptions

The multiple linear regression analysis has assumptions to come up with estimates and inferences about the parameters of the population being studied. Thus, the three assumptions taken for this study include: normality, linearity, homoscedasticity and independence of residuals checked using residual diagnostic plots.

In the study that data analysis and interpretations were considered through; the perceived fairness by the employees of performance appraisal practices is conceptualized as independent variables which consist of procedural, distributive, interpersonal and informational justice while the satisfaction of performance appraisal practices is conceptualized as dependent variable Sudin (2011, p. 72).

Normality: the residuals should be normally distributed about the predicted responses. This means that errors are normally distributed, and that a plot of the values of the residuals will approximate a normal curve and once the sampling distribution of the mean is known, it is possible to make predictions for a new sample Keith (2006). Thus, as indicated in the histogram (appendix-2), the data found to be normally distributed.

Linearity: the residuals should have a straight line relationship with the predicted responses (Osborne & Waters, 2002); as a result, the plotted points of this study's data as shown in appendix-3, is a straight line i.e., linear.

Homoscedasticity: The assumptions of homoscedasticity refer to equal variance of errors across all levels of the independent variables (Osborne & Waters, 2002). The scatter plot (appendix-4) shows normally scattered data in the study.

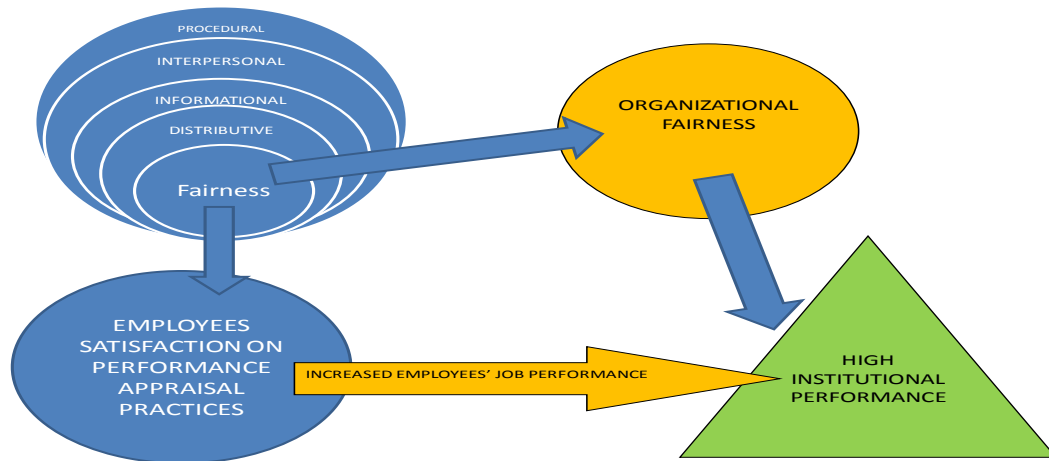
Test of Effect Size: The practicality characteristic or the eta square of a measuring instrument can be judged in terms of economy, convenience and interpretability. From the operational point of view in the study, the measuring instrument ought to be practical i.e., it should be interpretable in terms of this study. Interpretability consideration is especially important when persons other than the designers of the test are to interpret the results. However, when the effect sizes of both measures are calculated using the following Pallat's (2005) formula, there practical value has been found to be insignificant: $d=0.09$ (TUL) and $d=0.24$ (CL).

$$D - \text{value} = \frac{x^2}{x^2 + (N1 + N2 - 2)}$$

The most widely accepted rule of thumb, proposed by Cohen (1988): Effect sizes of $d < 0.20$ are interpreted as insignificant; values of d between 0.20 and 0.50 are interpreted as *small effects*; values of d between 0.50 and 0.80 are interpreted as *medium effects*; and values of d larger than 0.80 are interpreted as *large effects*. There are findings complementing this finding: "Studies conducted using children groups with different socioeconomic background, did not show differences in SCI" Olloqui de Montenegro (1991). The practicality test of the study has attached to the appendix-5

3.6. Conceptual Framework of the Study

Based on many literatures like (Warokka et al., 2012, p. 8 & Sudin, 2011, p. 72); perceived fairness of performance appraisal practices is conceptualized as independent variable which consist of procedural, distributive, interpersonal and informational justice while the satisfaction of performance appraisal practices is conceptualized as dependent variable. This study has the following employees' fairness perceptions among dimensions of the independent variables of distributive (accuracy of ratings and concern over ratings), informational (clarifying expectation standards, providing feedback, rating decisions), interpersonal (respectfulness and sensitivity of supervisions) and procedural (setting the performance expectations, raters confidence, seeking appeals).



Source: Developed for the study

Figure 2:1: Research framework of relationship between the perception of fairness and Satisfaction towards the performance appraisal

This framework describes the employee's perception of fairness dimensions as independent and satisfaction of performance appraisal practices as dependent variables which have the interconnection between the organization fairness and institutional performance. These relationships show that the dependent variable employees' satisfaction towards the performance appraisal practices directly depend on the fairness perception of employees. This helps how fairly the employees' are treated at work to achieve simultaneously the organizational and personal objectives in the University.

Organizational Fairness

Supposed organizational justice in human resource practices particularly in performance appraisal system was based on the equity theory research and most of the equity theory research was derived from Adams' social exchange theory framework (Adams, 1963 & 1965). Fairness consists of three types of subjective perceptions, typically referred to as distributive justice, procedural justice and interactional justice (Adams, 1965 & Leventhal, 1980). Most recently, interactional justice is viewed by researchers as consisting of two distinct and specific types of interpersonal and informational justice Greenberg (1990).

It is possible to see the operational definitions among the four dimensions of the independent variables such as the distributive fairness (accuracy of ratings and concern over ratings), informational fairness (clarifying expectation standards, providing feedback, rating decisions), interpersonal fairness (respectfulness and sensitivity of supervisions) and procedural fairness (setting the performance expectations, raters confidence and seeking appeals) one by one below. The above fairness of perception dimensions serve as best indicators or measures of the dependent variable performance appraisal practices.

Satisfaction of the Performance Appraisal

Employee satisfaction towards performance appraisal has been the most frequently measured and it has been primarily conceptualized in satisfaction. The above satisfaction of performance appraisal practices can be measured or explained the very well in terms of the four fairness dimensions such as the distributive, informational, interpersonal and procedural fairness associations of the relationships in between themselves.

Institutional Performance

The organizational performance is mostly based on high-performance HRM practices, which are coherent practices that enhance the skills of the workforce, participation in decision making, and motivation to put forth discretionary effort (Appelbaum, Bailey, Berg & Kalleberg, 2000) that ultimately result in superior intermediate indicators of firm performance and sustainable competitive advantage Way (2002). Precisely how HRM system are systems of HRM practices designed to enhance employees' skills, commitment, and productivity. This research has, however, not been free of criticisms and effects occur and operate to influence organization effectiveness.

3.7. Research Ethics

According to Creswell (2003, p. 64) “as the researchers’ anticipate data collectors, they need to respect the participants and sites for the research”. In the study there should be maintain objectivity, courtesy and high professional standards through scientific process and no falsification, alteration or misrepresentation of data for political or other purposes. And it also kept or protected the confidentiality of the research subjects and research sponsors.

IV. DATA ANALYSIS AND DISCUSSIONS

4.1. Background Information of Respondents

The analysis tried to provide information related to sex, age, educational background, experiences, and staff groups of academic-administrative and managerial status of respondents. The following demographic characteristics of the respondents are presented along the sample frame in order to get a representative data from 255 questionnaires were prepared and distributed to employees of the University. Out of these 230 questionnaires were collected back and all of them were properly filled to evaluate employees’ satisfaction towards the performance appraisal.

Table 4:3: Respondents’ Profile

Characteristics of Respondents		Frequency	Percent
Gender	Male	174	75.7
	Female	56	24.3
	Total	230	100
Age	Below 25 years	27	11.7
	26-35 years	121	52.6
	36-45years	52	22.6
	46-55 years	19	8.3
	56 and above	11	4.8
	Total	230	100
Qualification	College diploma	71	30.9
	BA/BSc degree	75	32.6
	Masters degree and above	84	36.5
	Total	230	100
Work experience	1-2 Years	39	17.0
	3-4 years	54	23.5
	5-7 years	47	20.4
	8-10 years	37	16.1
	Above 10 years	53	23.0
	Total	230	100
Staff Category	Academic Staff	111	48.3
	Administration Staff	119	51.7
	Total	230	100
Status	Supervisor	30	13.0
	Non-supervisor	200	87.0
	Total	230	100

Source: Developed for this study

From the above **table 4:2** sex distribution of the sample, 174 (75.7%) of the total respondents are male, 56 (24.3%) are female.

The results show in **table 4:2** that the majority of the respondent 121(52.6%) were between the range the ages of 26 and 35 years. Next to this sample 52(22.6%) were between the ages of 36 and 45 years, and few of them 27(11.7%) were below 25 years.

From the above **table 4:2** that educational level of respondents, from the sample taken the majority 84(36.5%) of the respondents are in the category of masters degree and above. Additionally, the second majority 75(32.6%) of respondents

are in category of BA/BSc degree and the rest 71(30.9%) of the respondents are diploma, therefore, they would have the ability to fill the questionnaire in English and by having known how about perceptions of fairness and satisfaction of the performance appraisal.

As shown in the above **table 4:2** that majority of the respondents 54(23.5%) and 53(23.5%) have worked for between 3 and 4 years and above 10 years in the University respectively. The second other majority (20.4%) for between 5 and 7 years and the rest employees who are in the category of 8-10 years and below 2 years were 16.1% and 17% respectively.

According to the data from the above **table 4:2** the majority 119(51.7%) of respondents were administrative staff and the rest 111(48.3%) were academic staff.

Managerial status of respondents from the above **table 4:2** the majority 200(87.0%) of the respondents were non-supervisor and the rest 30(13%) were supervisors.

4.2. Extent of Employees' Fairness Perception of Performance Appraisal Practices

This explains the descriptive statistics on the data analysis and procedures are presented the basis of the different variables included in the employees' fairness perceptions among dimensions of the independent variables of distributive (accuracy of ratings and concern over ratings), informational (clarifying expectation standards, providing feedback, rating decisions), interpersonal (respectfulness and sensitivity of supervisions) and procedural (setting the performance expectations, raters confidence, seeking appeals). The measures of central tendency and dispersion for understanding or to answer the first specific objective of the study i.e. the extent of employees' perception of fairness on their performance appraisal practices which the results obtained from the sample respondents descriptively with one sample t-test were shown in the following **table 4:3** below.

Table 4: 4: Extent of Employees' Fairness Perceptions of Performance Appraisal Practices

Variables	N	T	Df	Sig. (2-tailed)	Mean	Std. Dev.	95% Confidence Interval of the Difference		Std. Error Mean
							Lower	Upper	
Distributive Fairness	230	35.61	229	.000	2.40	1.022	2.267	2.532	.067
Informational Fairness	230	40.69	229	.000	2.42	.902	2.304	2.538	.059
Interpersonal Fairness	230	39.64	229	.000	2.65	1.014	2.519	2.782	.066
Procedural Fairness	230	38.20	229	.000	2.40	.953	2.278	2.526	.063
Fairness Perceptions of Performance Appraisal Practices	230	43.03	229	.000	2.47	.869	2.355	2.581	.057

Source: Developed for this study

Survey scale: 1=strongly disagree, 2= disagree, 3=no option, 4 = agree and 5=strongly agree.

Response Category: strongly disagree (1.50 or less), disagree (1.51-2.50), no opinion (2.51-3.49), agree (3.50-4.49) and strongly agree (4.5 or greater).

The above **table 4:3** shows us the arithmetic mean of the employees' perception of fairness of all dimensions of independent variables of distributive, informational, interpersonal and procedural justices considered for performance appraisal practices in this study which answered the first research hypothesis that was the employees' extent of fairness perception of performance appraisal practices in the University.

According to Zedatol (2008) mean score 3.80 is consider high, 3.40-3.79 is moderate and below 3.39 is low satisfaction cited by Oumer Mohammed (2012, p. 44). Therefore, the performance appraisal practices satisfaction in the study considered by the above thresholds.

In the above **table 4:3** the sample respondents indicated that the extent of perception of fairness (distributive, informational and procedural) with the average mean (M=2.40, 2.42 and 2.40) respectively that currently having low response category (disagree) as perceived by the sample respondents on their performance appraisal practices. This result implies that the employees of sample respondents in the University perceived the performance appraisal practices as unfair in all perception of fairness dimensions except interpersonal fairness (M=2.65). Interpersonal fairness implied that the sample respondents choose to be silent or no opinion to say fair/unfair on respectfulness and sensitivity of supervisions of the performance appraisal.

In general, the employees’ perceptions of fairness found to be as the dissatisfaction on the performance appraisal practices with the total average mean (M=2.47) having low response category (disagree) as perceived by the sample respondents on their performance appraisal practices, according to Zedatol (2008) mean score 3.80 is consider high, 3.40-3.79 is moderate and below 3.39 is low satisfaction.

H 1: The employees’ extent of perceived fairness of performance appraisal practices is low. Thus, the proposed hypothesis was accepted.

4.3. Level of Employees’ Satisfaction of Performance Appraisal Practices

This descriptive statistics on the data analysis was to measure or to answer the second specific objective of the study i.e. the level of employees’ satisfaction towards the performance appraisal practices which the results obtained from the sample respondents descriptively with one sample t-test were shown in the following **table 4:4** below.

Table 4:5: Level of Employees’ Satisfaction of Performance Appraisal Practices

Variables	N	T	df	Sig. (2-tailed)	Mean	Std. Dev.	95% Confidence Interval of the Difference		Std. Error Mean
							Lower	Upper	
Performance Appraisal Rating	230	33.74	229	.000	2.34	1.049	2.199	2.472	.069
Supervisors/Facilitators	230	34.71	229	.000	2.40	1.047	2.261	2.533	.069
Performance Appraisal Systems	230	41.85	229	.000	2.41	.871	2.292	2.518	.057
Satisfaction of Performance Appraisal Practices	230	40.23	229	.000	2.38	.897	2.262	2.496	.059

Source: Developed for this study

Survey scale: 1=strongly disagree, 2= disagree, 3=no option, 4 = agree and 5=strongly agree.

Response Category: strongly disagree (1.50 or less), disagree (1.51-2.50), no opinion (2.51-3.49), agree (3.50-4.49) and strongly agree (4.5 or greater).

The above **table 4:4** shows us the arithmetic mean of the employees’ satisfaction of performance appraisal practices in this study which answered the second research hypothesis that is the employees’ level of satisfaction of performance appraisal practices in the University.

Here according to Zedatol (2008) mean score 3.80 is consider high, 3.40-3.79 is moderate and below 3.39 is low satisfaction as cited by Oumer Mohammed (2012, p. 44). Therefore, the performance appraisal practices satisfaction in the study considered by the above thresholds.

In the above **table 4:4** the sample respondents indicated that the level of satisfaction with the total average mean (M=2.38) that currently having low response category (disagree) on their performance appraisal practices according to Zedatol (2008) mean score 3.80 is consider high, 3.40-3.79 is moderate and below 3.39 is low satisfaction. This result implies that the employees of sample respondents in the University did not satisfied on the performance appraisal practices. This result is supported by (Werther & Davis, 1996) in severe cases, pay dissatisfaction may lower performance, causes strike, increase grievance, and leads to forms of physical or psychological withdrawal ranging from absenteeism and turnover to increased visit to dispensary and poor mental health and if performance evaluation practice is not tied to work and to the organizational goals, employees are dissatisfied with the type of performance practices effect, their contribution towards goal attainment tends to be lower.

H 2: The employees’ level of satisfactions towards the performance appraisal practices is low. Thus, the proposed hypothesis was accepted.

4.4. Effect of Employees’ Perceived Fairness of Performance Appraisal on Their Satisfaction

The following section demonstrates the preliminary multiple linear regression assumptions tested: normality, linearity, homoscedasticity and independence of residuals. As a result, following the tests the multiple regression analysis results are presented.

Multicollinearity Analysis of Study Variables

In this section, the direction and degree of the strength of the relationship among the variables were determined by Multicollinearity test (table 4:5) below, it is possible to examine the correlation among all dimensions of the independent variables of distributive, informational, interpersonal and procedural fairness with the dependent variables of satisfaction on the performance appraisal practices. These correlation results provide initial evidences for further analysis of the hypotheses of study.

Table 4: 6: Multicollinearity Coefficient

No	Variables	Pearson Correlation	1	2	3	4	5
1	Distributive fairness	Pearson Correlation	1				
		Sig. (2-tailed)					
2	Informational fairness	Pearson Correlation	.756**	1			
		Sig. (2-tailed)	.000				
3	Interpersonal fairness	Pearson Correlation	.677**	.690**	1		
		Sig. (2-tailed)	.000	.000			
4	Procedural fairness	Pearson Correlation	.755**	.830**	.703**	1	
		Sig. (2-tailed)	.000	.000	.000		
5	Satisfactions of Performance Appraisal Practices	Pearson Correlation	.726**	.822**	.722**	.875**	
		Sig. (2-tailed)	.000	.000	.000		

Source: Developed for this study at N = 230 in all levels

** Correlation is significant at the 0.01 level (2-tailed)

The above **table 4:5** shows that the distributive($r = .726^{**}$, ($p < .000$), informational ($r = .822^{**}$, ($p < .000$), interpersonal($r = .722^{**}$, ($p < .000$ and) and procedural fairness($r = .875^{**}$, ($p < .000$ and) have high degree of positive relationship with the satisfaction of the performance appraisal practices. According to Cohen (1998) cited by Warokka et al. (2012, p. 12) the correlation coefficient (r) ranging from 0.10 to 0.29 may be regarded as indicating a low degree of correlation, r ranging from 0.30 to 0.49 may be considered as a moderate degree of correlation, and r ranging from 0.50 to 1.00 may be regarded as a high degree of correlation.

Based on the above preliminary test results, the assumptions of the multiple linear regression analysis model have been met. Thus, the subsequent analysis results are depicted below.

Table 4: 7: Model Summary of Effect of Employees’ Fairness Perceptions on Their Satisfaction of Performance Appraisal Practices

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.899a	.808	.804	.39676	.808	236.335	4	225	.000

Source: Developed for this study

Predictors: Procedural, Interpersonal, Distributive and Informational Fairness

Table 4: 8: Model Summary of Effect of Employees’ Fairness Perceptions on Their Satisfaction of Performance Appraisal Practices

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.899a	.808	.804	.39676	.808	236.335	4	225	.000

Source: Developed for this study,

Predictors: Procedural, Interpersonal, Distributive and Informational Fairness

Table 4:9: Coefficients of Effect of Employees’ Fairness Perceptions on Their Satisfaction of Performance Appraisal Practices

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Eta Squared (D-value)
		B	Std. Error	Beta			
1	(Constant)	.145	.080		1.805	.072	.989
	Distributive Fairness	.022	.043	.025	.510	.610	.614
	Informational Fairness	.245	.057	.246	4.330	.000	.891
	Interpersonal Fairness	.135	.039	.153	3.474	.001	.759
	Procedural Fairness	.512	.054	.545	9.473	.000	.945

Source: Developed for this study,

Dependent Variable: Overall Satisfaction of PAP

In the above table 4:6: the value R^2 (.808) can be interpreted as the model is fit since it is greater than the acceptable value. The variation of R^2 and Adjusted R^2 (.804): (0.4%) implies that there is insignificant change which in turn tell us that the results can be generalized beyond the sample, i.e., to the population.

The most widely accepted rule of thumb, proposed by Cohen (1988): Effect sizes of $d < 0.20$ are interpreted as *insignificant*; values of d between 0.20 and 0.50 are interpreted as *small effects*; values of d between 0.50 and 0.80 are interpreted as *medium effects*; and values of d larger than 0.80 are interpreted as *large effects*.

In other words, the model summary reveals that at 80.8% of the study’s population level, the effect of employees’ perception of fairness towards the performance appraisal practice as a source on their satisfaction can be taken as true.

Regarding the third hypothesis of the study in the above table 4:7: “The employees’ perceived procedural fairness towards the performance appraisal practices has positive effect on their satisfaction”, the analysis result shows ($\beta=.545$, $p<.000$, $d=0.945$). This implies that employees’ perceived procedural fairness have highly significant and strong practical effect on the satisfaction of employees towards the performance appraisal practices of their institution-UoG. This evidence indicates that procedural relationships have an influence on satisfaction of performance appraisal practices. It therefore implied that the better the procedural fairness (setting performance expectations, raters’ confidence and appeal seeking procedures) relationships, the more successful of satisfaction of performance appraisal practices. This is supported by (Thomas & Bretz, 1994) if performance appraisals are perceived as unfair, therefore, the benefits of performance appraisals can diminish rather than enhance employee’s positive attitudes and performance cited by Warokka et al., (2012, p. 7). Specifically, the perceptions of procedural unfairness can adversely affect employee's organizational commitment, job satisfaction, trust in management, performance as well as their work-related stress, organization citizenship behavior, theft, and inclination to litigate against their employer. Therefore, this hypothesis is fully accepted.

Similarly, the fourth hypothesis of the study: “The employees’ perceived interpersonal fairness towards the performance appraisal practices has positive effect on their satisfaction”, the analysis result ($\beta=.153$, $p<.001$, $d=.759$) reveals employees’ perceived interpersonal fairness has highly significant but moderate practical effect on the satisfaction of employees towards the performance appraisal practices of their institution-UoG. This evidence indicates that interpersonal relationships have an influence on satisfaction of performance appraisal practices. It therefore implied that the better the interpersonal fairness (respectfulness and sensitivity of supervisions) relationships, the more successful of satisfaction of performance appraisal practices. Therefore, this hypothesis is also accepted.

Moreover, as to the fifth hypothesis of the study the statistical output shows ($\beta=.246$, $p<.000$, $d=.891$) which can be interpreted as: employees’ perceived informational fairness has highly significant and practical effect on the satisfaction

of employees towards the performance appraisal practices of their institution-UoG. This evidence indicates that informational relationships have an influence on satisfaction of performance appraisal practices. It therefore implied that the better the informational fairness (clarifying expectation standards, providing feedback, rating decisions) relationships, the more successful of satisfaction of performance appraisal practices. Therefore, this hypothesis is fully accepted.

Nevertheless, the analysis results of the last hypothesis: “The employees’ perceived distributive fairness towards the performance appraisal practices has positive effect on their satisfaction”, unlike the others, indicate ($\beta=.025$, $p<.610$) which means, employees’ perceived distributive fairness (accuracy of ratings and concern over ratings) has insignificant impact on the satisfaction of employees towards the performance appraisal practices of their institution-UoG. This is supported by Warokka et al., (2012, p. 14) even though the R square (R^2) value was 0.70, the independent variables, i.e. the distributive justice ($\beta=0.14$, $p<.11$) in organizational justice’s coefficients were no statistically significant with performance appraisal satisfaction. Therefore, this hypothesis is rejected.

In short, the overall findings of the study can be summarized using the following table

Table 4:10: Summary of Hypotheses Testing

No	Hypotheses		Significance			Results
	Independent Variables	Dependent Variables	Beta	Sig	Eta sq D-value	
H:1	The extent of employees’ fairness perception	Satisfaction on performance appraisal practices	-	-	-	Low
H:2	The level of employees’ satisfaction	Satisfaction on performance appraisal practices	-	-	-	Low
H:3	Perception of procedural fairness was positively related to:	Satisfaction on performance appraisal practices	.545	.000	.945	Accepted
H:4	Perception of interpersonal fairness was positively related to:	Satisfaction on performance appraisal practices	.153	.001	.759	Accepted
H:5	Perception of informational fairness was positively related to:	Satisfaction on performance appraisal practices	.246	.000	.891	Accepted
H:6	Perceptions of distributive fairness was positively related to:	Satisfaction on performance appraisal practices	.025	.610	-	Rejected

Source: Developed for this study

V. SUMMARY, CONCLUSIONS, RECOMMENDATIONS AND FUTURE RESEARCH DIRECTIONS

5.1. Summary

Based on its six hypothesis investigated, the study explored the effect of employees’ fairness perception on their satisfaction towards the performance appraisal practices of University of Gondar.

The success or failure, the fairness or unfairness of the performance appraisal depends on many factors among the study shown that the extent of employees’ perception on the fairness of the performance appraisal practices in the University of Gondar found to be below average-unfair.

The satisfaction level of employees’ on the performance appraisal practices of their mother institution-UoG is below average-dissatisfied.

Employees are found to be with low satisfaction level due to procedural fairness dimension of the performance appraisal practices being applied in the University. This is supported by Thomas & Bretz (1994) if performance appraisals are perceived as unfair, therefore, the benefits of performance appraisals can diminish rather than enhance employee’s positive attitudes and performance cited by Warokka et al., (2012, p. 7). Specifically, the perceptions of procedural unfairness can adversely affect employee's organizational commitment, job satisfaction, trust in management, performance as well as their work-related stress, organization citizenship behavior, theft, and inclination to litigate against their employer.

Employees are dissatisfied with the informational fairness dimension of the performance appraisal practices being applied in the University.

Employees are found to be with low satisfaction level due to interpersonal fairness aspect of the performance appraisal practices being applied in the University.

Even though the mean satisfaction level of employees' due to their distributive fairness perception showed below average result, the significance and regression analysis results indicate its insignificance. This is supported by Warokka et al., (2012, p. 14) even though the R square (R^2) value was 0.70, the independent variables, i.e. the distributive justice ($\beta=0.14$, $p<.11$) in organizational justice's coefficients were no statistically significant with performance appraisal satisfaction.

5.2. Conclusion

As the role of this study is to assess the effect of employees' fairness perception of performance evaluation practices on their satisfaction in the University of Gondar, six hypothetical questions were investigated accordingly. Consequently, the following conclusions are made.

Similar empirical studies show that the performance appraisal practices of an institution have to be fair in its every aspect. As a result, the employees would be satisfied and motivated to undertake their jobs effectively and diligently. These remarks are complemented by (Werther & Davis, 1996) as: "in severe cases, pay dissatisfaction may lower performance, causes strike, increase grievance, and leads to forms of physical or psychological withdrawal ranging from absenteeism and turnover to increased visit to dispensary and poor mental health and if performance evaluation practice is not tied to work and to the organizational goals, employees are dissatisfied with the type of performance practices effect, their contribution towards goal attainment tends to be lower".

However, among the four dimensions of fairness variables tested during this study at University of Gondar, in all of them, employees' perception is found to be below average, which means most of the employees feel unfair about the performance appraisal practice of the University. This in turn, has made their satisfaction to be low. Therefore, this study is believed to be an awakening bell to the University.

A serious attention on this matter to obtain a better employees performance appraisal practices should be given by the University management body. This study also concluded that employees' perception of organizational fairness (informational, procedural and interpersonal fairness) in the performance appraisal practices have significantly contributed or have a great impact to the University performance.

However, according to the findings, being the three variables has relatively high influence on the performance appraisal practices so as compared to the other factors; if informational, procedural and interpersonal fairness factors are taken into consideration, then satisfaction of performance appraisal practices has the potential of being a good performance management tool for UoG.

5.3. Recommendations

The researcher believes that the findings of this study have practical implications to the University of Gondar, wherein the study is carried out. Thus, the following recommendations pinpointing focal points that would be helpful to the University management in driving its performance appraisal practices in fruitful directions.

The three employees' unfair perception dimensions identified by this study: interpersonal, procedural and informational fairness need due attention by the university management in order to make its performance appraisal practices fruitful and up to the standard. The researcher believes that unless and other wise these variables of the pivotal basic human resource are treated timely, they would have a great potential of deterring and jeopardizing the targeted performance goals and objectives of the University.

Based on the findings of this study, the majority of University of Gondar employees were not found to be satisfied or felt just in all dimensions of fairness perception of the performance appraisal practices. Therefore, in order to be effective in achieving its organizational performance, there should be involvement of all employees' performance to fulfill the targeted goals and objective the University of Gondar; the study recommends that the management should be acquired a great change or reevaluate critically the major components/practices of performance appraisal in the University.

There should be given a great emphasis on creating awareness about performance appraisal practices by giving specified training up on the important components like accuracy of ratings, clarifying expectation standards, providing feedback, rating decisions, respectfulness of supervisions, sensitivity of supervisions, setting the performance expectations, raters

confidence and seeking appeals to the management body, raters, ratees to avoid the barriers and build performance appraisal practices moving in the right way to achieve the expected goal and objectives of the University.

5.4. Future Research Directions

The practical contributions of the findings of this study may be found to the effectiveness of designing and administering for performance appraisal practices in the University. This may stimulate employees' capacity in doing job, respect employees' each other and their potentials to achieve better performance and career, learn new problem solving skills and share the organizational interests may upgrade the ability of managers to practice good interaction styles on managing performance appraisal practices.

The distributive fairness was failed to show any relationship with the satisfaction towards the performance appraisal practices. It found that perception of distribution fairness of allocation of resources or rewards or outcomes that are not distributed to employees. Then, further research is needed to examine this problem and other dimensions or personal level outcomes like relation to personnel turnover, relationship with pay and job satisfaction, trust in supervisors and organizational commitment.

It is better to conduct similar study in the different sectors with different methods like using larger sample size (participants) to get a factual or significant relationship between the fairness of organization and the performance appraisal system within the organization.

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Appendix-1

Questionnaire:

University of Gondar

Faculty of Business & Economics

Department of Management

Questionnaire to be filled by respondents

Dear Respondent;

The purpose of this questionnaire is to collect primary data for conducting a study on the topic: "*Assessment of the effect of employees' fairness perception on their satisfaction towards the performance evaluation practices in University of Gondar*". In this regard I kindly request you to provide me reliable information that is to the best of your knowledge so that the findings from the study will meet the intended purpose.

I strongly assure you of confidential treatment of your responses and would like to extend my deep appreciation in advance for being a volunteer to devote your valuable time in filling this form.

Sincerely, Belete Getnet (MBA student)

Directions:

- No need to write your name and put your opinion by making a (✓) mark
- In case you have ambiguities on any of the questions, please do not hesitate to contact me via my cell phone – 0918-77-76-73.

Part I. Personal Profile:

1. **Sex:** Male _____ Female _____

2. **Age:** Below 25 _____ 26-35 _____ 36-45 _____ 46-55 _____ 56 & above _____

3. **Educational Background:** Diploma _____ First Degree _____ Master & above _____

4. **Job experience:** 1 - 2 years _____ 3 - 4 years _____ 5 - 7 years _____

8 - 10 years _____ above 10 years _____

5. Staff group: Academic staff _____ Administration staff _____

6. Status _____ Supervisor _____ Non-supervisor _____

Part II. Dear respondents, here are possible statements for the study; in this case I kindly request you to write numbers from the given alternatives

which shows that (1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, 5 = strongly agree)

No	Items about performance evaluation practices	1 Strongly Disagree	2 Disagree	3 Neutral	4 Agree	5 Strongly Agree
Perceptions of Distributive Justice/Fairness on Performance Appraisal						
1	My performance rating is based on how well I do my work					
2	My performance rating reflects how much work I do					
3	My performance rating is based on the many things I do that help my work					
4	My most recent performance rating is based on the effort I put into the my job					
5	The most recent performance rating I received is based on the many effects I am responsible for my work					
6	My rater gives me the performance rating that I paid even when it might upset me					
7	My rater trying to avoid bad feelings among his or her employees by giving good performance rating to all of them					
8	The performance rating I get is a result of my rater applying performance-rating standards consistently across employees					
9	The performance rating I get is not higher than one I should earn based on my effort and contributions					
10	My performance appraisal is based on the quality and quantity of my work and not my personality and position					
11	Supervisors give performance ratings that reflect, in part, their personal like or dislike of employees					
12	Supervisors give the same results to all their subordinates in order to avoid opposition and rivalries among them					
Perceptions of Informational Justice/Fairness on Performance Appraisal						
13	My rater clearly explains to me what he or she expects on my work					
14	My rater clearly explains to me the standards that will be used to evaluate me					
15	My rater explains how I can improve my performance					
16	My rater lets me a room to ask how I should meet my performance expectations					
17	My rater regularly explains to me what he or she expects from my performance					
18	As a result of the performance planning session I have a better understanding my supervisor's expectations on my performance					
19	My rater frequently lets me to know how I am doing my work very well					
20	My rater routinely gives me information that I can use to improve my performance					
21	My rater reviews my performance expectations from the performance a planning session at least every three months in unofficial rating sessions					
22	My rater gradually lets me to know how I can improve my performance					

23	My rater routinely gives me feedback that is important to the things I do at work					
24	My rater regularly reviews with me my progress towards my goals					
25	My rater gives me clear and real examples to justify his or her rating of my work					
26	My rater helps me to understand the process used to evaluate my performance					
27	My rater takes the time to explain decisions that concern me					
28	My rater lets me to ask questions about my performance evaluation					
29	My rater helps me to know what I need to do to improve my performance					
Perceptions of Interpersonal Justice/Fairness on Performance Appraisal						
30	My rater is not often rude to me					
31	My rater is always polite to me					
32	My rater treats me with dignity					
33	My rater treats me with respect					
34	My rater is courteous to me					
35	My rater does not attack my privacy					
36	My rater does not make cruel statements to me					
37	My supervisor is sensitive to my feelings					
38	My supervisor shows concern for my rights as an employee					
39	My supervisor treats me with kindness					
Perceptions of Procedural Justice/Fairness on Performance Appraisal						
40	The performance planning and review process requires that performance expectations be set for me during a planning session at the start of a rating period					
41	The performance planning and review process makes sure that my performance expectations measure what I really do for the University					
42	The expectations setting during the performance planning session reflect the most important factors in my job					
43	The performance planning and review process allows me to set the standards that my supervisor will use to evaluate my performance					
44	My performance standards setting in the planning session can be changed if what I do in my work changes					
45	My performance standards setting for me during the planning session will remain the same until my rater and I change it					
46	The University makes sure that I am assigned to a rater who is enough qualified to evaluate my work					
47	The University ensures that I am assigned to a rater who knows very well what I am supposed to be doing my work					
48	The University makes sure that I am assigned to a rater who recognize the requirements and difficulties of my work					
49	The University makes sure that my rater is familiar with the performance planning and review rating procedures and rating format					
50	The University makes sure that I am assigned to a rater who have deep knowledge and know how to evaluate my performance					
51	I have got a chance to check a performance rating that I think is biased/ inaccurate					
52	I know I can get a fair review of my performance rating if I request it					
53	I can challenge a performance rating if I think it is unfair performance ratings					

54	I am comfortable in communicating my feelings of disagreement about my performance ratings to my supervisor				
55	A process to ask my performance rating is available to me anytime when I may need it				
56	My performance ratings can be changed if I can show that it is incorrect or unfair				
Reactions to Satisfaction of Performance Appraisal Practices					
57	I am satisfied with the performance rating that I received for the most recent rating period of time				
58	My most recent performance rating was fair				
59	My most recent performance rating reflected on how I did the job				
60	The performance rating that I received was attractive and accurate				
61	I am satisfied with the amount of support and guidance I receive from my supervisor				
62	Overall, I am satisfied with the quality of supervision I receive at work from rater				
63	All in all, I have a good and qualified supervisor in my work				
64	I would give my supervisor a positive rating				
65	My supervisor takes the rating system and process seriously to evaluate me				
66	Overall, I think the performance planning review system is fair in the University				
67	I am satisfied with the method that the performance planning review system is used to set my performance expectations for each rating period				
68	I am satisfied with the method that the performance planning review system is used to evaluate and rate my performance				
69	I think my department should change the method to evaluate job performance				
70	I think the performance planning review process is a waste of time in the University				
71	I would participate in the performance planning and review even if it weren't required				
72	The performance planning review has helped me to improve my job performance				
73	On overall, I am satisfied with my job evaluation				

Thank you so much!!

Appendix -2

Histogram

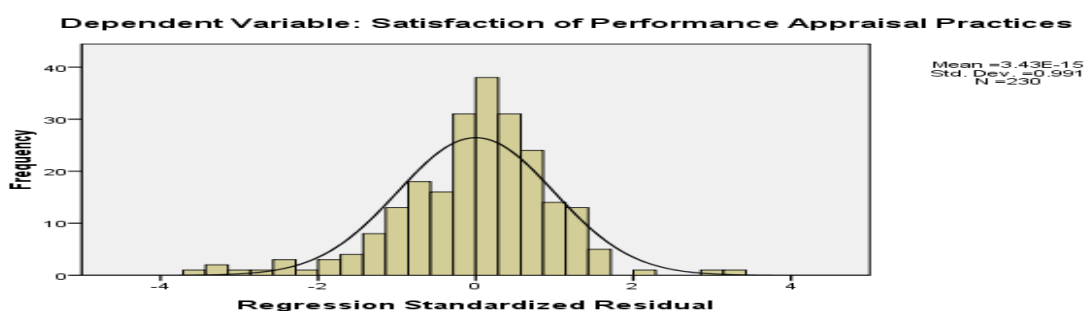


Figure 4: 2: The Regression model Assumptions of Normality in the study

Appendix - 3

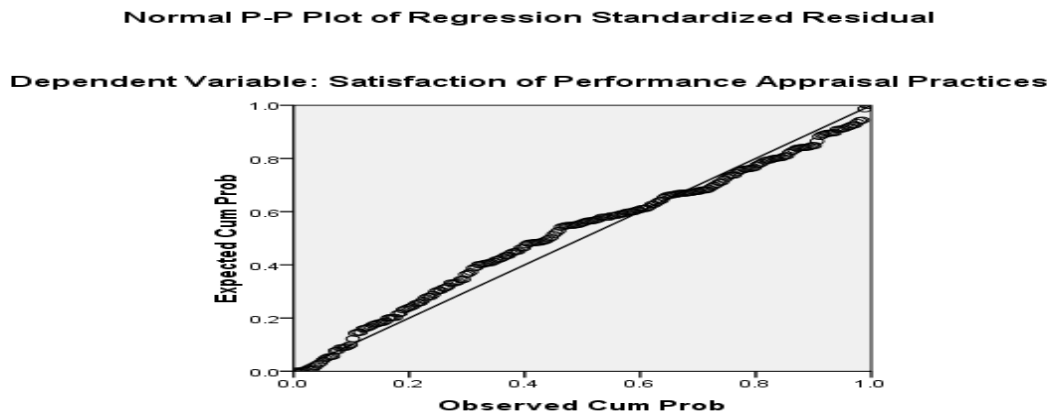


Figure 4:3: The Regression model Assumptions of Linearity in the study

Appendix - 4



Figure 4: 4: The Regression model Assumptions of Homoscedasticity in the study

Appendix - 5

Source	Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
Corrected Model	181.707 ^a	203	.895	9.206	.000	.986
Intercept	974.670	1	974.670	1.002E4	.000	.997
Interpersonal	7.971	36	.221	2.277	.016	.759
Procedural	43.689	55	.794	8.170	.000	.945
Informational	45.348	56	.810	4.373	.000	.891
Distributive	10.678	32	.334	1.802	.054	.614
Corrected Total	184.235	229				