Antecedents and Outcome Effects of Justice Perceptions in Performance Appraisal: A Literature Review

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Abstract: As an important part of modern performance management system, performance appraisal is an important means to improve the level of human resource management. In order to enable employees to accept and support the performance appraisal system and ensure the effectiveness of its results, scholars began to pay attention to employees' response to performance appraisal. Justice perceptions in performance appraisal is a fair judgment of performance appraisal and related contents. This judgement is based on some standards, and perceptions of fairness is generated according to the results of judgment. As one of the important responses of performance appraisal, justice perceptions in performance appraisal has become the focus of many researches, and the research results on the justice perceptions in performance appraisal are increasingly rich. In order to accurately grasp the research progress of the justice perceptions in performance appraisal, this paper first reviews the concept of justice perceptions in performance appraisal; secondly, the paper analyzes the antecedents of justice perceptions in performance appraisal can be divided into three levels: rater, ratee and organization, and its impact on the behavior and attitude of employees from the perspective of antecedents and outcome effects; finally, based on the existing research, we suggest several areas for future research.

1. Introduction

Performance appraisal is an important means to measure and evaluate employees' performance, which plays an important role in the whole performance management cycle. Some important management decisions such as performance improvement, salary and bonus, job adjustment, training and re-education are usually made basing on the results of employees' performance appraisal. Therefore, performance appraisal has always been of interest to scholars and practitioners. With the further study in the field of performance appraisal, there was little research on reactions to appraisals until the 1970s. The research that began at that time focused on perceptions of fairness, for the most part. Then several articles also focused on the role of justice perceptions in reactions to performance appraisal [1].

Although there are many literatures on justice perceptions in performance appraisal, most of them are empirical researches, and few of them are review articles, which is very unfavorable for us to understand the latest research progress in related research. Therefore, this paper starts with the connotation and dimensions of perceptions of fairness in performance appraisal. Then the paper systematically analyzes and sums up the antecedents and function mechanism of the perceptions of fairness in performance appraisal through literature review. Finally, the future research is prospected.

2. The Concept of Justice Perceptions in Performance Appraisal

The research on the Justice Perceptions in performance appraisal originates from organizational fairness, which can be regarded as the specific application of organizational fairness in employee performance appraisal. At present, the academia has clearly defined organizational fairness, but the concept of justice perceptions in performance appraisal has been under discussion. Erdogan pointed out that justice perceptions in performance appraisal refers to the employees' perceptions of fairness

to the organizational performance appraisal system, process and results in the performance appraisal cycle, which is perceptions of fairness in the context of performance appraisal [2]. Zhang Qi et al. defines the sense of fairness in performance appraisal as employees' subjective psychological feelings about the fairness of leader, procedure and information in the process of organizational performance appraisal [3].

Although there is no consistent definition of justice perceptions in performance appraisal at present, this paper, based on the research of scholars, summarizes that justice perceptions in performance appraisal is a fair judgment of performance appraisal and related contents. This judgement is based on some standards, and perceptions of fairness is generated according to the results of judgment. More importantly, perceptions of fairness affect employees' acceptance of performance evaluation process and results.

3. The Antecedents of Justice Perceptions in Performance Appraisal

Based on the literature review, the antecedents of justice perceptions in performance appraisal can be divided into three levels: rater, ratee and organization.

3.1 The Rater's Side

In short, performance appraisal is to evaluate the performance of employees according to the existing performance standards, and the rater is the main body of performance appraisal. Therefore, when considering the impact of employees' perceptions of fairness in performance appraisal, it is necessary to consider the rater.

Ability of the raters. In theory, even if an organization has established a perfect performance appraisal system and corresponding procedures, if the executives (as raters) at all levels lack the necessary performance evaluation knowledge or skills, employees will still think that appraisal results are unfair. Greenberg found that, the stronger the rater's ability to collect correct information, the more likely it is to improve the employee's perceptions of fairness of the appraisal results [4]. Bernardin et al. also pointed out that the rater's intelligence, competence and knowledge will affect the accuracy of performance appraisal, and inaccurate appraisal will inevitably lead to unfair appraisal [5].

Personality characteristic of the raters. There are many empirical studies that confirm the influence of rater's personality characteristic on performance appraisal. A meta-analysis conducted by Harari et al. found a relationship between the personality factors of the raters and performance ratings given [6].

3.2 The Ratee's Side

Justice perceptions in performance appraisal is a kind of perception on whether the process and result of performance appraisal are fair or not. As a subjective feeling, it is greatly influenced by the personal factors of the ratee.

Organizational hierarchy of the ratees. When the level of the ratee in organization is different, the cognitive perspective of the performance appraisal system is different. Different perspective will make them have different reactions and appraisals to the performance appraisal system. The empirical research of Erdogan et al. showed that the level of the ratee in the organization has a significant positive impact on the procedural justice of the performance appraisal system [7].

Trait affect of the ratees. As a research hotspot in the field of positive organizational behavior, some scholars have studied the mechanism of trait affect and justice perceptions in performance appraisal [8]. The empirical results showed that positive trait affect has a significant positive impact on the two dimensions of justice perceptions in performance appraisal procedure (Appraisal System Justice, Rater Justice). Negative trait affect has a significant negative impact on these two dimensions.

3.3 The Organizational Side

Organizational factors are important factors that affect justice perceptions of performance appraisal.

Performance appraisal system. Some scholars believed that the performance appraisal system with due process characteristics should have three basic principles: adequate notice, fair hearing and judgment based on evidence.

Firstly, adequate notice. There are many studies that showed the importance of adequate notice to the justice perceptions in performance appraisal. Secondly, fair hearing. The fair hearing in performance appraisal mainly includes two aspects: the right to speak and participation. Some scholars have confirmed that employee participation [9] and the right to speak are important antecedent variables affecting the perceptions of fairness [10]. Finally, judgment based on evidence. It argues that appraisal standards should be applied consistently across all individuals, the decision must be explained after citing evidence, and appeal mechanisms allowing employees to challenge the decision must exist.

The purpose of performance appraisal. Boswell & Boudreau pointed out that when the purpose of performance appraisal is to pursue only one type of purpose, it will cause the raters to only focus on the collection of performance information in a certain aspect, which will lead to the decline of the accuracy of performance appraisal and the unfairness of employees [11].

Organizational culture. Organizational culture can be divided into three types: constructive, negative defensive and positive defensive. In the negative and positive defense types, the employees' justice perceptions in performance appraisal are low; in the constructive culture, the raters pay more attention to the appraisal procedures and results, thus promoting the employees' perceptions of fairness at a higher level [2].

4. The Mechanism and Result of Justice Perceptions in Performance Appraisal

This paper review research on justice perceptions in performance appraisal, discussing the mechanism and results from the perspective of employee' attitude and behavior.

4.1 Outcome Variables of Attitude

The main variables of attitude include organizational commitment, job satisfaction, turnover intention and organizational identity.

Organizational commitment and job satisfaction. Tang & Baldwin studied the relationship between justice perceptions in performance appraisal, employee job satisfaction and organizational commitment [12]. The results showed that procedural justice in performance appraisal was significantly related to job satisfaction and organizational commitment. Drawing upon the Equity Theory and Social Exchange Theory, Krishnan et al. investigated the relationship between employees' perceived fairness of performance appraisal and their commitment towards organization [13]. From the finding, interactional justice of performance appraisal was the significant predictor towards employees' organizational commitment behaviors.

Shrivastava & Purang have researched the mediating role of performance appraisal satisfaction on the relationship between justice perceptions and job satisfaction, using a cross-sectional study with 340 respondents [14]. The findings highlight that satisfaction with the appraisal process is guided by perceptions of fairness and this further impacts the job satisfaction.

Turnover intention. In addition to the outcome variables of organizational commitment and job satisfaction, Faizuniah examined the relationship between the perceptions of fairness in performance appraisal and turnover intention, and found that justice perceptions has a negative correlation with turnover intention [15].

4.2 Outcome Variables of Behavior

This paper mainly discusses the variables of work performance, counterproductive word behavior and organizational citizenship behaviors.

Work performance. A large number of studies have confirmed that justice perceptions in performance appraisal has significant effects on employee performance. For example, Erdogan proposed the antecedent and consequences model of justice perceptions in performance appraisal,

which pointed out that distributive justice positively affected the sense of responsibility, and then affected the task performance and performance promotion motivation of employees [2]. Zhou Wenxia & Qi Qian took 286 knowledge-based employee data of 50 high-tech enterprises as samples [16]. The results showed that: justice perceptions have a significant positive impact on the work performance of knowledge workers, and a partial mediating effect between perceptions of fairness and work performance.

Counterproductive work behavior. Umphress et al. found that unfair distribution is likely to lead to employees' retaliation for stealing organizational property. Chen Weimin & Shen Yiting investigated 258 new generation employees, and the results showed that justice perceptions in performance appraisal had a significant negative impact on the new generation employees' Counterproductive word behavior [17].

Organizational citizenship behavior. Organizational citizenship behaviors refer to the behaviors that are beneficial to the organization, but not clearly stated in the formal compensation system of the organization, and employees consciously engage in. Thurston & McNall research results showed that procedural justice in performance appraisal influenced organizational citizenship behavior through appraisal satisfaction [18].

5. Summary and Directions for Future Research

Although there are many academic researches on the justice perceptions in performance appraisal, there are still some deficiencies. On the whole, the future research can be further explored from the following aspects.

First, although domestic scholars have achieved some research results in the justice perceptions in performance appraisal, the literature on the justice perceptions in performance appraisal based on localization is still relatively scarce, especially in the aspects of concept and dimension. Chinese cultural tradition and ways of thinking are still significantly different from western countries. In the future, we should fully research justice perceptions in performance appraisal within Chinese organizations under the unique cultural background, and develop a representative performance appraisal scale applicable to China.

Second, through literature review, it can be found that the antecedents research on justice perceptions in performance appraisal is limited, and most of them are theoretical and experimental research, empirical research is scarce. Future research can be based on theoretical and experimental research, to carry out empirical research on the casual relationship between antecedent variables and justice perceptions in performance appraisal, as well as the specific mechanism between them.

Finally, in the research object of justice perceptions in performance appraisal, some researches consider manufacturing employees, e-commerce employees, civil servants, etc., which can enrich cross industry comparative research in the future, so that managers can grasp the impact of justice perceptions in performance appraisal of employees and make correct management decisions.

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