



PERFORMANCE APPRAISAL PERCEPTION DIFFERENCES: AN EMPRICAL EXAMINATION



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ABSTRACT

In this study it is tried to determine the perception difference between managers and personnel. In information society human resources are the most valuable elements of an organization. Therefore it has become more important to get reliable information about personnel's performance than ever. This study realized in different bank branches in Kahramanmaraş province with survey method. There were 70 managers and personnel's at total. t-test was used to disclosure the differences. Results indicate that managers and personnel's have different perceptions and the people at management level are more optimistic about performance appraisal systems.

Keywords: *performance appraisal, perception, banking*

PERFORANS DEĞERLEMEDE ALGI FARKLILIKLARI: DENEYE DAYALI BİR ÇALIŞMA

ÖZ

Bu çalışmada bankacılık sektöründe çalışan yöneticiler ve personelin performans değerlendirme konusundaki algılama farklılıkları belirlenmeye çalışılmıştır. Bilgi toplumunda insan kaynakları bir örgütün en değerli unsurudur. Bu yüzden personelin performansı hakkında güvenilir bilgi edinmek hiç olmadığı kadar önem taşımaktadır. Bu çalışma ile personelin ve yöneticilerin performans değerlendirme sistemleri hakkında bakış açıları yönünden bir farklılık olup olmadığı belirlenmeye çalışılmıştır. Kahramanmaraş ilinde farklı banka şubeleri dikkate alınarak toplam 70 yönetici ve çalışan üzerinde gerçekleştirilen bu çalışmada, farklılıkları ortaya çıkarmak için t-testi kullanılmıştır. Veriler anket yoluyla elde edilmiştir. Sonuçlar yönetimin ve personelin performans değerlendirme hakkında farklı algılara sahip olduklarını ve yönetim kademesinin iyimser olduğunu göstermektedir.

Anahtar Kelimeler: *performans yönetimi, algı, bankacılık.*

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INTRODUCTION

Human resources have a different structure in an organization than the other production factors. Peoples add values to an organization by their feelings, ambitions and aims. Adding value depends on some factors. Therefore, keeping detailed information about an employee and using it to give decision when necessary is a strategic human resources activity (Karcıoğlu, 2009). Performance appraisal is a management tool that tries to count the personnel's performance.

Performance appraisal is important for all organizations. Employers try to assess their employees' performance because they want to determine which of their workers work harder or performance better. With this knowledge they can increase personnel's salary. According to Griffin and Ebert (2002) performance appraisal is a formal evaluation of an employee's job performance in order to determine the degree to which the employee is performing effectively (p. 216). Performance appraisal is the step where the management finds out how effective it has been in hiring and placing personnel and acts as an approach towards managing and developing the personnel aiming at the overall achievement of the organization's objectives (Neeraja and Aman, 2009:67)

Performance appraisal can be done for different purposes. If we want to summarize the purposes we can collect them at three group namely managerial, feedback and research purposes (Nerdinger et al. 2008). Managerial Purposes are salary or wage determination, preparation and documentation of personnel actions (i.e. promotions, transfers or layoffs), planning and designing of HRM practices, reorganizations of working conditions, evaluating personnel selection. Feedback Purposes are clarification of performance requirements, creating feedback and goal agreement talks to improve performance and individual counseling. Research Purposes are validation of requirement analysis, validation of personnel selection instruments and evaluation career department.

PERFORMANCE APPRAISAL PERCEPTION

Employees' perception of justice is an important factor to achieve the aim of appraisal process. When employees perceive unfairness on process then there can be some employee reactions such as strike, decreasing performance etc.(Holbrook 2002). In this context creating an environment in which there is no perception difference can make a performance appraisal process more reliable.

When evaluating a performance justice concerns can be grouped into two categories. These are procedural and distributive justice (Erdogan, 2002:557; Holbrook, 2002). Procedural justice can be examined in two sub-categories. These are procedural and interactional justice. Procedural justice is about the "justice of procedures". In procedural justice the important thing is "the fairness of the procedures". The result or outcome of the performance appraisal system may become fair but we can talk about the fairness of procedures.

Interactional justice can be defined as the fairness of interpersonal interaction during the performance appraisal session (Erdogan, 2002:558). Performance appraisal requires



substantial amounts of communication between appraisal and appraisee. During this interaction, individuals expect to be treated respectfully. The fairness of interpersonal communication during performance appraisal process constitutes interactional justice perceptions (Erdogan, 2002:558).

The important thing in procedural justice is the fairness of procedure whereas in interactional justice the important thing is the fairness of communication.

In distributive justice employees compare their input-output ratios with those of others in order to determine the level of fairness. When individuals perceive inequity, they modify their effort, or change their perceptions of inputs or outcomes. (Erdogan, 2002:558)

LITERATURE

Measuring an employee's performance is a challenging task (Wilson, 2002; Yee, 2009). However employers want to know which of his or her employee performs better. In highly changing business environment determining and retaining which employee has talented knowledge can be of vital information. Managers have to know which employee contributes organization a lot, and to determine this they have to realize a performance appraisal system.

It is beneficial to focus on short term objectives rather than the long term ones because there will be change something at the long term. Getting support for achieving objectives, motivating managers, giving feedbacks to personnel are more important than just determining which actions necessary for punishment or reward. (Cravens, 2009:270)

Cravens (2009) emphasizes the importance of positive feedback to employee's. When we want to measure an employee's performance, we shouldn't focus on the negative aspects of results.

At the end of the appraisal process, the data that related to personnel' past performance acquired. These data helps to measure the personnel' performance related to pre-determined standards, to converge the aims of personnel and organizations and to improve the quality of personnel' abilities (Turgut, 2001).

Assessing an employee's performance has its positive and negative aspects (Feuer, 2003). According to Fred Nickoles empirical researches, typical performance appraisal system consumes a lot of time and energy, depresses and demotivates personnel, ruins trust and teamwork and despite these negative sides, creates a little value. Because of these reasons, conducting performance appraisal should be handled carefully. When conducting a performance appraisal system there are some points that should be avoided; first of all the person who try to evaluates performance shouldn't consume much of time with filling forms, provide unclear explanations, avoiding too many subjective comments and people should prepare to evaluation (Feuer,2003).



The reasons why performance appraisal creates anxiety on personnel can be;

- worries about job stress,
- not sharing same aims with organizations
- doubts about being fairly treated or not (Hui and Qin-xuan, 2009)

Here, the key point is human factor. If the objectives of an organization are forced choice for personnel it won't create incentive power. People has dreams, wishes and personal aspirations (Levinson, 2003)

Performance appraisal can help people in the organization to see their success of failure. If there is a failure at achieving the pre-determined performance than training program should be considered by supervisors. Also the results of appraisal can help managers to know on which degree they invested their money well. It can ensure that all the works are being done with talented personnel. (Feuer, 2003)

There are roughly two sides of a typical appraisal system. One is the appraisee whose performance is evaluating and appraisal who appraise the performance. Appraiser should be a disciplinary judge and a helpful counselor, but being both of them contains dilemmas (Wilson,2002). Being at the same time both of them is a hard task if not impossible.

We can summarize the prior studies as follow;

Neeraka and Aman (2009) uses factor analysis and chi-square tests to test the demographic variables and employers' opinions' independence and found that they are independent and age plays an important role.

Ritchie and O'Malley (2009) researched whether engaging in emotional labor increase feedback and found that emotional labor contribute to the success of performance appraisal system.

Law (2007) concluded that when a performance appraisal system doesn't take the system factors which account for most of variation is not an effective system. They can disrupt interpersonal relationships, teamwork, creativity and motivation.

According to Bourguignon and Chiapello (2005) performance appraisal systems may be considered as one of the major trials in the business world since they provide justification for the distribution of social goods, on the basis of institutionalized rules.

Kıngır and Taşkıran (2006) researched managers and personnel opinions and concluded at some points their opinions differs.

THE AIM OF THE STUDY

This study realized to determine the perception differences between different levels of personnel and genders. If there is a difference we want to understand the differences'



AKADEMİK BAKIŞ DERGİSİ

Sayı: 33 Kasım – Aralık 2012

Uluslararası Hakemli Sosyal Bilimler E-Dergisi

ISSN:1694-528X İktisat ve Girişimcilik Üniversitesi, Türk Dünyası

Kırgız – Türk Sosyal Bilimler Enstitüsü, Celalabat – KIRGIZİSTAN

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direction. Employees are in a more negative manner for performance appraisal systems. Because they think that their performance is measuring to determine how bad did they do in the past. And if the result is too bad, they think they'll be fired. This can be create paralyzing feelings of guilt and make process harder (Levinson, 2003). If performance appraisal system doesn't apply properly they will undermine efficiency.

HYPOTHESES

One of our hypotheses is about the perception differences between male and female. Our hypothesis about gender difference is state that here is no difference between male perception and female perception.

Our hypothesis about managers and employee's perception states that there is no difference between managers' perception and employee's perception.

Ha: There is no difference between male and females' perception of performance appraisal

Hb: There is no difference between personnel's' and managers' perception of performance appraisal

DATA, METHODOLOGY AND CONTENT

Our questionnaire gives us a number about the participants' perception of performance appraisal system that is in use by the organization they are working. If that score is bigger we can say that the participant perceps performance appraisal system in a more positive way.

To reveal the differences between personnel and managers perceptions we conducted a questionnaire which was used by Kingır and Taşkıran (2006). The survey realized in Kahramanmaraş Province. In total, 77 personnel and managers who work at different bank branches completed the survey. To understand the features of participants, we'll show the results of descriptive statistics then the questions that aimed to disclosure the performance appraisal perceptions will be presented.

RESULTS

In Table 1, we can see the descriptive statistics of our participants. We collected from our participants' gender, marital status, age, education, position, duration and income as descriptive statistics. Most of our participants had an associate degree, were personnel and were males. Female participants are not as much crowd as males because at a developing city as Kahramanmaraş female participation to workforce is relatively at a small rate. Marital status rate of our participants is almost equal. There are 38 unmarried and 39 married participants in our survey. Half of our participants are at the age between 26 and 30. Most of our participants have an associate degree. That is also because qualified personnel choose bigger cities to work. There are more personnel in our study. That is because there is relatively less person in management level. And half of our participants have a monthly income between 1000TL and 1500TL. To the question "how many years are you working?" participants gave different answer but almost there are equal numbers in the groups.



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Tablo 1. Descriptive Statistics of participants.

Variables	Values	Frequency	Percent (%)
Gender	Male	52	67,5
	Female	25	32,5
Marital Status	Married	39	50,6
	Unmarried	38	49,4
Age	18-25	10	13
	26-30	38	49,4
	31-40	20	26
	41+	9	11,7
Education	Highschool	3	3,9
	Associate Degree	62	80,5
	Undergraduate	17	15,6
Position	Personnel	60	77,9
	Manager	17	22,1
Duration	0-12	17	22,1
	13-24	23	29,9
	25-36	16	20,8
	37-48	9	11,7
	49 +	12	15,6
Income	500-999	13	16,9
	1000-1499	43	55,8
	1500-1999	12	15,6
	2000 +	9	11,7

We re-arranged the original questionnaire (Kingir and Taşkıran, 2006) for disclosure the perception differences. The higher the participant optimistic about performance appraisal the more score he/she will get from our survey. We summed results and used simple t test to compare the means. The group means are available at Table 2.

Table 2. Group Statistics

		Mean
Gender	Male	36,23
	Female	20,00
Position	Personne	25,95
	Manage	48,65

According to Table 2 males seems more optimistic about performance appraisal than their female counterparts. Male participants answered our questions in a more positive way. Their total scores' mean is 36,23. Females' mean is 20. That means males are more optimistic about performance appraisal than females. But we cannot be so sure without testing that with statistical methods. We'll use independent t test.



When we look at positions we get that personnel's scores' mean is 25,95 and managers' scores' mean is 48,65 that is managers give more positive answers to the questionnaire.

We used t test to test whether these differences meaningful or not. Confidence interval for t test is 95%. The results are shown at table 3.

Table3. Results of t tests

	t test value	df
Gender	7,152*	75
Position	-11,112*	75

* p < 0,05

Results suggest that there is meaningful difference between female perception and male perception of performance appraisal system. Females are in a more negative manner about performance appraisal. They do not believe their organizations' performance appraisal systems' fairness. We reject the hypothesis-a (Ha) that states there is no difference and conclude that there are differences between male perception and female perception.

When we look at the difference between managers' perception and personnel' perception we get that the difference is meaningful. We reject the Hypothesis b. Managers seem to believe the merits of performance appraisal more than their personnel. A lot of factor can affect that difference. Managers may get educated well or come from another province or doesn't afraid from being unemployed. We reject hypothesis b and conclude that there are differences between managers' perception and personnel's' perception of performance appraisal.

CONCLUSION, RESTRICTIONS AND STUDY SUGGESTIONS

This study aimed to disclosure the perception differences between managers and personnels. We especially used a small province to determine whether the differences occur in smaller provinces too. And at the result of the study we found that the perception differs among levels and gender. Increasing the sample size may be beneficial for next studies. It can be researched the perception differences between different size of banks or between banking sector and others.

We found that females are more pessimistic about performance appraisal process. We think that is because psychological reasons. Kahramanmaraş is not at the biggest 10 cities in Turkey and it is developing.

According to our observation this difference can be diminished by communication between upper management and personnel. Management should tell their personnel that performance appraisal is not a "firing tool". They should diminish the stress on personnel by telling their personnel that they will just get the result of their performance and if there is something that goes wrong, this process will help them to identify the problem and with performance appraisal results they can change the wrong way. Personnel must be sure about the aim of performance appraisal. And converging personnel's and organizations' aims can



help to reduce the stress on staff (Levinson, 2003). Meeting regularly can help both communication and converging aims.

Management level staff perceives performance appraisal system in a more positive manner. That is maybe because their position in an organization approaches the upper level and that gives them an appraisee power.

Also banks that participated to our survey should revise their performance appraisal system because it is perceived differently by different level of staff and genders. And we believe that difference can also diminish by effective communication.

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