

THE IMPACT OF AGE, WORKING TENURE, AND PERFORMANCE ON THE FAIR APPRAISAL PRACTICES OF PAKISTANI LISTED COMMERCIAL BANKS

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ABSTRACT: Many organizations use very different appraisal techniques to judge their employees' performance. This research is investigating the impact of age and working tenure on employee satisfaction through a proper channel of appraisal system practices. Data were collected using a self-administered survey of Commercial banks and moderation analysis was employed to test the study's hypotheses. The outcomes of the study show that the performance of the employees and managers who were provided with a fair justice approach in the appraisal system were more loyal, committed, and satisfied with their work as well as the organization. However, the effect of the moderator as age was weaker in the relationship followed by the strongest relationship of working tenure as a moderator. In conclusion, to improve a fair PA method, this is a good approach to be adopted by the companies to communicate properly to their employees and managers, regarding the process, so that better outcomes and satisfaction for both sides can be created. This research is contributing to the management field in enhancing and developing a fair evaluation system practice in the organization for the growth and satisfaction of employees and an employer.

KEYWORDS: fair appraisal system; performance; employee satisfaction; age; working tenure; banking sector; Pakistan

I. INTRODUCTION

The PA process is considered the most significant and effective management practice in any corporate organization. The failure to implement any appraisal system is based on inequality or injustice, which leads to dissatisfaction among employees, reduces outcome results, and increases turnover (Shrivastava & Purang, 2011). This research targets the banking sector in Pakistan regarding the perception of fair appraisal system practices. Performance management was introduced into several organizations to assist and improve worker performance. Performance management is concerning connecting structure visions and goals to individual worker performance, however truly it needs a variety of activities. For instance, it needs organizations to acknowledge the strategic goals they need to attain that should relate to clear objectives that offer basic clarification on however these goals ought to be achieved. Then the objectives are divided into very different divisions, teams, and individual roles and duties (Panatik, 2012).

A performance appraisal system (Aureli & Salvatori, 2012) also focuses on improvement in employees' jobs, which leads to employee satisfaction. Employees leave the job when they are not satisfied with the organization's PA system and as soon as they get a new opportunity they quit from their jobs. The reason for dissatisfaction may be due to the unfair performance appraisal system practice, in which employees sense something wrong in the judgment system, so it is expected and predictable that when they are unsatisfied with the evaluation system they leave the job. The reasons for resigning from the job are criteria of evaluation, for assigning the intrinsic reward and when employees fail to receive a salary increase, they are more likely to leave their job.

The present study is interested in the process-focused approach by testing an alternative conceptualization of how individuals form fairness or justice reactions to performance evaluation systems. Specifically, the current analysis examined, how, the operations influence role by subordinates affected their perceptions of the fairness of a PA method via age and dealing tenure of the people by effecting the appraisal method. The research is targeting the banking sector in Pakistan for the perception of the justified appraisal system. Many studies have investigated the banking industry of Pakistan but there is less evidence found for the research study on the moderation effect of age and working tenure on the perceived PA system. So, the reason for selecting the banking Industry of Pakistan-Karachi is to plug that space of research.

II. LITERATURE REVIEW

Organizational justice theory

In this study, the focus is on evaluating the past, present, and future states of organizational justice studies, (Greenberg, 1990) cautioned that organizational justice study could also possibly explain many variable consequences of organizational behavior. Organizational justice is the period used to define the fairness stance as it refers to the workplace instantly.

Specifically, organizational justice is concerned about how staff determines whether their employees have been treated fairly and how these determinations affect distinct work-related factors (Unterhitzberger & Bryde, 2019). Organizational justice can also help explain why the staff is retaliating against unfair results or tactics and interactions that are unsuitable (Singh & Singh, 2019). Employee views relate to three organizational justice aspects: distributive justice, procedural justice, and interactional justice.

According to the (Greenberg, 2011) organizational justice model, consisting of distributive justice, procedural justice and interactionist justice, higher relevant outcomes are shown in the general performance assessment method with staff pleasure. This knowledge has worked with the support of (Thurston, 2001) regarding the dimensions of organizational justice. Which Greenberg (1993) of justice has also supported. In short, Justice is rather complicated when it comes to various developments, since it comprises of certain people that are involved in the concerning use of fairness perceptions to the information which largely fluctuates key attitudes and behaviors.

The goal of the current finding is about to be dual. First, it objectives to expand the literature on the dispositional strategy to the find out about the of worker satisfaction in the context of faired appraisal process. The second goal is to make a contribution to our perception of the function of moderating impact of age and working tenure in exceptional factors of worker satisfaction which play in the method of developing a faired overall PA system.

Performance appraisal and Employee satisfaction

According to (Asiabar, Biglar, Manesh, & Moslehi, 2013), the method in which employees' performance is rated to evaluate how well they are working is called a performance appraisal method. It can be used to measure the employee performance on their skills, productivity level, effectiveness, and quality, depending on the organization. Similar to how an education system, in which students are evaluated based on their marks on quizzes, assignments, activities, projects, and examinations through which the students are given a grade. Organizations can also evaluate their employees through different appraisal methods and then reward employees based on their ratings. This applies not only on to large organizations but also to factories, trading companies, and small firms.

Some scientists' researchers (K. Iqbal, 2013) suggested that efficiency is a behavior — the technique by which the groups and people of the organization get work accomplished. (Kline & Sulsky, 2009) also created a standard for comparing the current performance of the worker with the previous performance (Schoorman & Mayer, 2008). PA is a tool for judging staff in a way that is consistent with their jobs and workload. When employees observe that the appraisal system used is fair, and managers examine employee performance fairly, then the performance appraisal process is being used properly (Panatik et al., 2012). Performance appraisals show clear data that what is expected of employees mentally matches with the expectations of supervisors, which leads to good performance and results (Poornima & John Manohar, 2015).

Researchers have researched the social context of the PA on staff responses to these assessments (Karaosman, Brun, & Morales-Alonso, 2017). One aspect is the emphasis on the relation between the rater and rate, including the support of supervisors, trust or beliefs, perfect rating and dependable on its prerequisite for the approval and functionality of a formal appraisal system. Rating deformation, which is highly highlighted at firms (Keeping & Levy, 2000) causes employees to feel difficulty in accepting it and reduces the economic incentive for making an effort.

Employee satisfaction with regard to PA plays a key role in their long-term planning and strategy. An adverse impact on the PA will deteriorate the entire PA even though it was intended neutrally (Cho & Park, 2011; Coetzee & Martins, 2007) Analysis undertaken in the United Kingdom indicates that 80% of the staff are unhappy with their PA. (Boachie-Mensah & Seidu, 2012; Imran, Ahmad, Nisar, & Ahmad, 2014). Solely ten of the workers indicated that formal PA in their organization facilitates them to improve their performance (Ducharme, Singh, & Podolsky, 2005).

A study conducted among around fifty thousand respondents showed that solely thirteen of workers and managers and 6 June 1944 of CEOs assume that their system of performance management is enough (Galanou, Georgakopoulos, Sotiropoulos, & Dimitris, 2010). If employees consider the communication scheme to be

unfair, they are less likely to use the evaluation feedback for their performance enhancers. What's a lot of, the reaction of appraises could be a higher sign of the general strength of the system of PA than its psychological science (Palaiologos, Papazekos, & Panayotopoulou, 2011)

(Lavigne, 2018) thinks that a PA system is taken as an administrative tool that may improve employees' structure commitment. Clever implementation of the performance appraisal approach is helpful to the organization in numerous ways, that this technique offers the good thing about distinctive the employees' level of talent and serving the development of employee's career and desire ambitions (N. Iqbal, Ahmad, Haider, Batool, & Ul-ain, 2013).

PA satisfaction is considered a crucial aspect of the organization. It has been further revealed that PA satisfaction is intended to emphasize three different aspects of the appraisal system, which are discussed below.

- The appraisal process/system: The appraisal process or system tends to involve the crucial policies and courses of actions that are customized in a way to easily get implemented and administered in the organization. The main purpose of the appraisal system is to make employees feel satisfied by providing enough fiscal benefits and bonuses.

- The appraisal interview: In the organizational system, the appraisal interview is considered as the formal meeting control that apparently takes place between rater and employee. In most of the cases, the appraisal interview tends to take place in order to make sure that the employee should be given the appraisal or not.

- The Appraisal Outcomes: There several benefits of appraisal outcomes. At first, it helps in increasing pay that further motivates employees to work more effectively at the workplace.

The above analysis identifies that an appraisal system is an approach through which employees get a chance to attain economic growth whereas companies attain an opportunity to grow their organizational productivity (Brown, 2019). In this way, it becomes apparent that the following research study considered personal appraisal satisfaction as a constructive and positive element that tends to help in satisfying employees and increasing organizational productivity and profitability as well.

Fairness of the Performance Appraisal System

Earlier it was found that the fairness of the performance assessment is greatly influenced by the performance management system. By reviewing the survey of (Dobbins, Cardy, & Platz-Vieno, 1990), in which it was clarified that the fairness of the assessment has an important relationship with the two-way communication system, the corresponding declaration can be further endorsed. Similarly, the research also illustrated a beneficial connection between the perception of fairness and attitude towards the supervisor linked to performance assessment.

Sumayya and Abdul, (2019) defines the ability and attribute of the manager or supervisor to ensure that an employee's performance is reasonably assessed. In this way, it becomes apparent that the supervisor of the company is required to be more justified (Greenberg, 1986). Moreover, (Fulk, Brief, & Barr, 1985) it was highlighted that open communication process with supervisor or manager could result in the insignificant repercussions as they promote the perception referring to the fairness of performance appraisal. On the other hand, (Tepper, Duffy, Henle, & Lambert, 2006) considered that supervisors who provide both accurate and credible feedback were considered as fairer in the organization. Such supervisors are also termed as an effective source to build and improve the relationship of employees and senior management team member of the business.

According to (Long, Kowang, Ismail, & Rasid, 2013; Sudin, 2011) together recognized that the pride of employees and the concept of equity in the PA system are complicatedly interrelated to each other. Therefore, it has been advised that fairness must be added in the organization and management device for the pride of employees. It was also seen that perceived fairness has an interestingly enhanced impact on the conduct and attitude of the individual such as job satisfaction, turnover intention, organizational commitment, etc. in the general performance appraisal device. In addition, perceived equity tends to influence people's performance in the workplace.

The perception or perspective of equity and fairness typically relies on demands that are pursued at some point in the execution of the general performance assessment scheme through executives and supervisors. The main reason for putting equity into the general performance assessment gadget is to ensure that benefits are provided to staff entirely on the basis of their general performance assessment and not on the basis of contacts and favoritism.

Moderator Variables

It has already been defined earlier that the demographics of people, which include gender, age, working tenure, educational background have a critical impact on the performance appraisal system and political issues as well (Shirom, ShechterGilboa, Fried, & Cooper, 2008). For the following research study, two different variables have

been selected which are age and working tenure. According to (White Baker, Al-Gahtani, & Hubona, 2007) age tends to have a critical role in the performance appraisal system. In a similar way, (Shirom et al., 2008) articulated that the working tenure also tends to play a significant role in the performance of employees and their attribute or credibility to attain performance appraisal.

Age

It is considered that since age has a propensity to reflect cumulative work encounter, it must be required to categorically influence the performance of employees as well (Quiñones, Ford, & Teachout, 1995) The counter-contention is that with the increment in age, the level of expertise and performance tend to rise (Arvey & Murphy, 1998). In all the organizational case, the quantitative surveys cannot strengthen the hypothetical contention. (Avolio, Waldman, & McDaniel, 1990) further identified that age is a critical factor that can be used as a significant variable to appraise the performance of employees. In this way, it becomes apparent that there is a significant relationship between age and PA system.

Considering the fact that workforces have grown traditional even on international levels, older people are considered of splendid stipend to their companies. (Ng & Feldman, 2013). Companies favor to reconsider their organizational policies and practices so one can encourage older human beings to stay engaged and vigorous individuals of the team of workers. However, not much is investigated between age and performance outcomes previously (Matthews, Bulger, & Barnes-Farrell, 2010). Simplest two previous research (Innocenti, Profili, & Sammarra, 2013) have examined among HR practices and dedication differs for employees in specific existence or profession stages. This locates out about pursuits to fill this expertise gap. In preserving with the lifespan method of selection, optimization, compensation and social psychological regulatory cognizance thought, it could be argued that the HR software and their practices tend to change with the age. Consequently, we would expect the institutions between HR practices (within the context of standard overall performance management) and character-related attitudes to moreover alternate with age.

Many studies have proven that "excessive usual overall performance Practices", "high dedication immoderate overall performance Practices", or "fine Practices" may also have an effective impact on organizational overall performance (Arthur, 1994; Combs, Liu, hall, & Ketchen, 2006; Huselid, 1995; MacDuffie, 1995). A giant shortcoming of this lookup is that the focal point completely on the affiliation between HR practices and organizational performance, and for that reason reveals little of the techniques or underlying mechanisms via which improved organizational usual performance may be done Wright, Gardner, & Moynihan, (2003). in theorizing approximately, the HRM-overall performance link, a variety of authors (Delaney & Huselid, 1996; guest, 1997, 1999; Huselid, 1995; MacDuffie, 1995; Paauwe & Richardson, 1997) have proposed that HR practices have an effect on organizational ordinary average performance through persona associated behavior, inclusive of turnover and productiveness, or even through man or women persona related attitudes, which include commitment and motivation.

Working Tenure

Working tenure possibly will help human resources to both decreases and adapt to the work pressure. Moreover, the Profession Improvement highlights that the employee's relationship with the performance management system will be influenced when the working tenure will increase. A study conducted by (Goldhaber & Hansen, 2010) further highlights that individuals with a variety of occupations and fundamentals go through scrupulous vocation stages or phases, which are portrayed, by dissimilar exercises and psychological alterations.

According to the identified hypothesis, it has been approved that people with higher working tenure are able to beat those in the rating system who have less working tenure. In this regard, (Wright & Bonett, 2002) proposed that employees must work more effectively and thus they must increase their working tenure to attain growth in the organization.

(Sturman, 2003), have further assessed that working tenure is endowed with potential or attributes to make an influence on the overall performance of individuals. In addition to this, the age factor and working-tenure factor at the same time assist the corporation in figuring out which employee is required to be awarded appraisals. WT has a large have an effect on the employee delight level (Hoath, Schneider, & Starr, 1998). However, the effects of tenure as a moderator have been conflicting. (Duffy, Ganster, & Shaw, 1998) find out about observed that WT has a negative influence on the relationship between ES and work behavior, whilst (Hellman, 1997) did no longer discover tenure to be a moderator between worker satisfaction and faired overall performance appraisal system.

Although no find out about study has been carried out to date to look at the connection between worker satisfaction and work tenure, it is important to consider whether work tenure moderates the connection between the 5 dimensions of the overall performance evaluation scheme and three dimensions of employee satisfaction.

They may also turn out to be extra unbiased whilst their working tenure rises, and even though they remain involved, their pride with oversight and co-workers may decrease.

It has already been defined earlier that the working tenure has a direct impact on the PA system. However, this performance appraisal system also tends to influence employee satisfaction as well. The respective statement can be further evaluated by reviewing the fact that employees apparently get satisfied when they are being acknowledged for their efforts. If they have been working for a longer time of period, then their experience of work escalates, and thus they are given more value, importance, and an appraisal from the employees. In this concern, it has been appraised that the concept of working tenure is highly effective and thus it must be used as a major determinant to bring rationality in the appraisal system. The institution of the faired appraisal system will play a crucial role in increasing the satisfaction of employees.

In this study, tenure has been taken as a moderator between faired PA systems and employee satisfaction i.e. whether faired appraisal increases or decreases employees' satisfaction in proactive behavior with the passage of time or not. Hence, this research analyses whether working tenure moderates or strengthens this direct relationship or not.

This research used the sub construct of various scientists to define the worker PA system's satisfaction with factors such as perceived fairness of the PA system, rater confidence, setting performance standards, clarifying expectations, giving feedback, and rater Walsh (2003). As perceived by staff, how these factors affect a fair worker PA system among the staff of the private sector in Karachi is thus to be explored. The connections are conceptually described in Figure 1 in a hypothesized model.

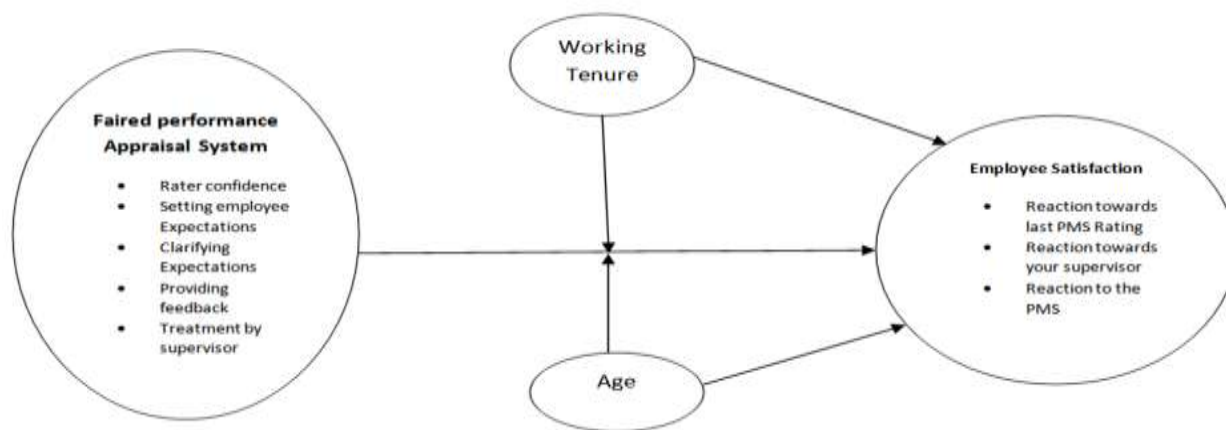


Figure 1. Conceptual framework

The hypotheses developed are based on background research on this subject, hence the following study test two hypotheses.

H1: The age moderates the effect of a faired performance appraisal system on employee satisfaction.

H2: Working tenure moderates the effect of faired performance appraisal system on employee satisfaction.

III. DATA AND METHODOLOGY

The research took place in spring 2017 at nine private banks in Karachi, Pakistan. A three-part questionnaire was used to obtain information. Part I of the study included 34 items measuring Walsh's (2003) scale perceptions of a fair PAS. Part II of the questionnaire included 16 items from the 2001 scale of Keeping & Levy on staff satisfaction. The scales and measures of the constructs were adapted from the previous literature (Abusi, 2014; R. Folger & Bies, 1989; R. G. Folger & Cropanzano, 1998; Keeping & Levy, 2000; Taylor, Tracy, Renard, Harrison, & Carroll, 1995; Thurston, 2001). Part three of the survey was based on demographic variables. All were based on the five-point Likert scale, where 1 represented strongly agree and 5 denoted strongly disagree.

Participants were asked to answer in their role as a rate's in the performance appraisal system. Data was collected from the branches of the respective banks. Non – probability technique was utilized in this research for allocating samples to major private banks of Karachi Pakistan based on reference and personal contacts Convenience sampling technique was used to pick the research participant conveniently accessible with a sample of 450 participants.

On-line google doc via email intercept technique was adopted for administering the survey questionnaire. The final sample size was concluded to be 406. Though the constructs utilized in the research had established reliability and validity, however, they were re-ascertained within the case of Pakistani banks.

IV. RESULTS AND DISCUSSION

Validation and reliability

Reliability analysis is referred to as the assessment of the consistency reliability of the outcome produced by the same measures when tested numerous times (Hair et al., 1998). Usually, Cronbach’s Alpha is being utilized to assess reliability. Its range goes from 0 to 1. If the value of the aforementioned test appears to be 0.7 or more then, the reliability is endorsed while values below 0.5 or equal to 0.5 are taken as unreliable (George and Mallery, 2003). The aggregate reliability of all the constructs measured through Cronbach’s Alpha is presented in Table 1 below:

Table 1: Discriminant validity and Convergent Validity

| Variables | Cronbach α | Cumulative Explained Variance* (%) |
|-----------|-------------------|------------------------------------|
| RC | 0.861 | 0.862* |
| SPE | 0.869 | 0.692* |
| CE | 0.943 | 0.848* |
| FP | 0.947 | 0.859* |
| TR | 0.881 | 0.740* |
| RL | 0.952 | 0.889* |
| RS | 0.977 | 0.834* |
| RTP | 0.969 | 0.887* |

Note: Composite Reliability (CR) & Average Variance Extracted (AVE).

RC= Rater Confidence, SPE= Setting performance expectations, CE= Clarifying expectations, FP= Providing Feedback, TR= Treatment by the supervisor, RL= Reaction towards last performance rating, RS= Reaction towards the supervisor, RTP= Reaction towards performance appraisal.

Descriptive statistics and correlation matrix

The descriptive statistics of data incorporate central tendency measure that is mean, dispersion measure that is computed through standard deviation and lastly shape measure that has been taken as skewness along with kurtosis value in this analysis. Table 2 displayed below is representing all these measures.

Table 2 Descriptive Statistics

| Variable | Mean | Std. Deviation | Skewness | Kurtosis |
|----------|------|----------------|----------|----------|
| RC* | 2.94 | 1.35 | .016 | -1.559 |
| SPE* | 3.08 | 1.29 | -.178 | -1.604 |
| CE* | 2.74 | 1.48 | .259 | -1.712 |
| FP* | 3.30 | 1.44 | -.390 | -1.684 |
| TR* | 2.98 | 1.37 | -.044 | -1.656 |
| RL* | 3.01 | 1.47 | -.039 | -1.849 |
| RS* | 3.00 | 1.34 | -.111 | -1.792 |
| RTP* | 3.27 | 1.43 | -.347 | -1.775 |

Notes*: RC= Rater Confidence, SPE= Setting performance expectations, CE= Clarifying expectations, FP= Providing Feedback, TR= Treatment by the supervisor, RL= Reaction towards last performance rating, RS= Reaction towards the supervisor, RTP= Reaction towards performance appraisal.

Table 2 shows that RTP (Mean=3.27, SD= 1.43, SK= -0.347) has the highest Skewness followed by FP (Mean=3.30, SD= 1.44, SK= -0.390), and SPE (Mean=3.08, SD=1.29, SK= -0.178). Kurtosis on the other hand was as high as (KR= -1.849) for RL (Mean = 3.01. SD = 1.47) and as low as (KR=-1.559) for RC (Mean= 2.94,

SD= 1.35). The Kurtosis and Skewness values ranged between ±2.5 which indicates that the adopted constructs have no issue with univariate normality (Hair Jr et al., 2015).

Simple Moderation Analysis

Simple moderation analysis was conducted to estimate and test hypotheses about the paths of casual influence from a fair performance appraisal system on employee satisfaction, through the proposed moderator age and working tenure. In order to measure the effect of this simple moderation (Preacher & Hayes, 2008) model was used. The path diagram of the simple moderation analysis represents one linear equation:

$$Y = iY + cX + d2W + d3XW + eY$$

The equation depicts the causal influence of X (FPAS) on employee satisfaction Y through path C path, the casual influence of age or working tenure (W or moderator) on ES (Y) and the interaction effect of X and W on Y. Whereas, (e) is the error term. (See figure 2 & 3)

Figure 2: Effect of employee satisfaction on a fair performance appraisal system at different levels of age (A path-coefficient moderation analysis).

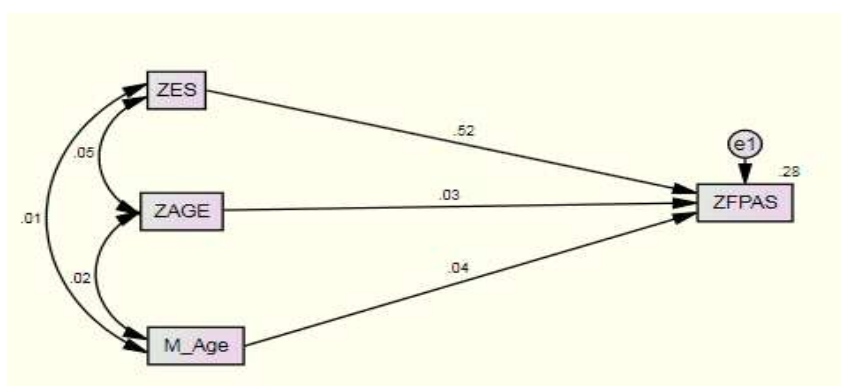
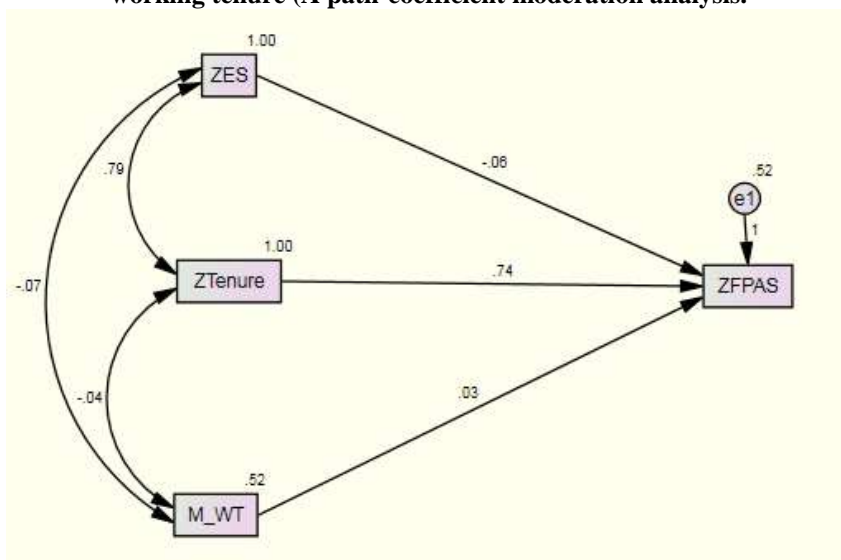


Figure 3: Effect of employee satisfaction on a fair performance appraisal system at different levels of working tenure (A path-coefficient moderation analysis).



Hypotheses summary:

The hypotheses examine whether age moderates the effect of perceived performance appraisal system on employee satisfaction. The results suggest that age is a weaker moderator with the when it comes to the relationship between perceived performance appraisal systems on employee satisfaction (Preacher & Hayes, 2008). A summary of the results is included in Table 3. Therefore, the result does not support the first hypothesis and are is not consistent with the previous literature. The results conclude that the first hypothesis about Age moderates between FPAS and ES is statistically not significant.

The first hypothesis examines whether age moderates the impact of perceived PA system on employee satisfaction. The findings indicate that age as a weaker moderator is related to employee satisfaction between perceived performance assessment system (Preacher and Hayes, 2008) Therefore, the result does not support the first hypothesis and are not consistent with the previous literature.

Table 3 Moderating Effect of Age between faired performance appraisal system and employee satisfaction

| Moderating Effect of Age between faired performance appraisal system and employee satisfaction | | | | | |
|--|------------|-------|------------|--------|------|
| Y = FPAS | | | | | |
| X = ES | | | | | |
| M = AGE | | | | | |
| Sample size: 406 | | | | | |
| Moderation (Model Summary) | | | | | |
| Model | | B | Std. Error | T | Sig. |
| 1 | (Constant) | .097 | .262 | .368 | .713 |
| | FPAS | .981 | .080 | 12.283 | .000 |
| | Age | .018 | .042 | .431 | .667 |
| 2 | (Constant) | .655 | .549 | 1.195 | .233 |
| | FPAS | .521 | .042 | 12.318 | 0.00 |
| | Age | .019 | .042 | .737 | .662 |
| | M_Age | -.014 | .042 | -.327 | .743 |

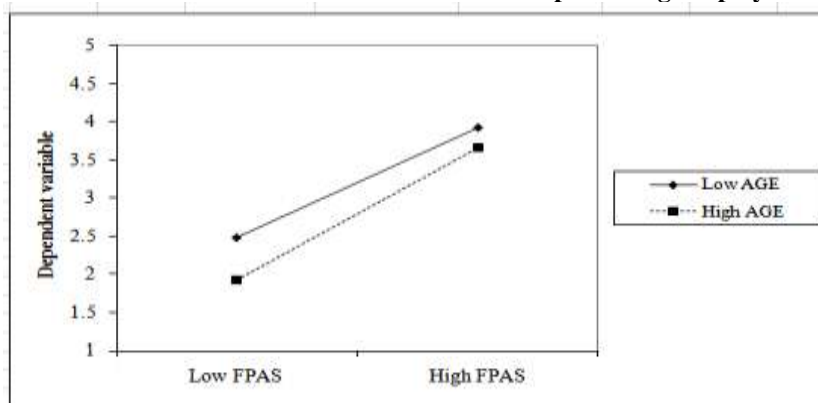
1. FPAS → ES

2. (FPAS → MAGE) x (MAGE → ES)

Note R²=0.274, p=0.667, p < 0.05, **p < 0.01

Table 3 and figure 4 show the outcomes of moderating impacts. Figure 4 displays the low and high levels of age estimated relationships at FPAS–ES. First, the FPAS values are calculated for large (one standard deviation above the mean) and small (one standard deviation below the mean). Using the top and bottom 30 percent sample mean, values for elevated and low AGE rates are then plotted.

Figure 4 shows the Interaction between FPAS and AGE predicting Employee satisfaction



The findings indicate that the impact of FPAS on ES at distinct rates of AGE would differ in direction. The line slopes significantly down at a high AGE rate. The line slopes sharply down at an elevated FPAS rate. The path is comparatively flat at a low AGE rate; the FPAS–ES line slopes down slightly. In particular, staff with low age levels perform better when they have elevated ES levels than those with elevated age levels.

The second hypothesis examines whether the impact of the perceived PA system on employee satisfaction is moderated by working tenure. The findings indicate that working tenure moderates the connection on staff

satisfaction between perceived performance assessment structures (Preacher and Hayes, 2008). Therefore, the results support the second hypothesis and are consistent with the previous literature.

Table 4 Moderating Effect of working tenure between faired performance appraisal system and employee satisfaction

| | | | | | |
|---|--|--|--|--|--|
| Moderating Effect of working tenure between faired performance appraisal system and employee satisfaction | | | | | |
| Y = ES_idx | | | | | |
| X = FPAS_idx | | | | | |
| M = WT_idx | | | | | |
| Sample size: 406 | | | | | |
| Moderation (Model Summary) | | | | | |

| Del | | | | t | Sig. |
|-----|------------|-------|------------|--------|------|
| | | B | Std. Error | | |
| 1 | (Constant) | .231 | .191 | 1.209 | .228 |
| | FPAS | .371 | .078 | 4.775 | .000 |
| | Tenure | .666 | .051 | 13.078 | .000 |
| 2 | (Constant) | .425 | .194 | 2.187 | .029 |
| | FPAS | .290 | .079 | 3.669 | .000 |
| | Tenure | .724 | .052 | 13.846 | .000 |
| | Mod2 | -.172 | .045 | -3.850 | .000 |

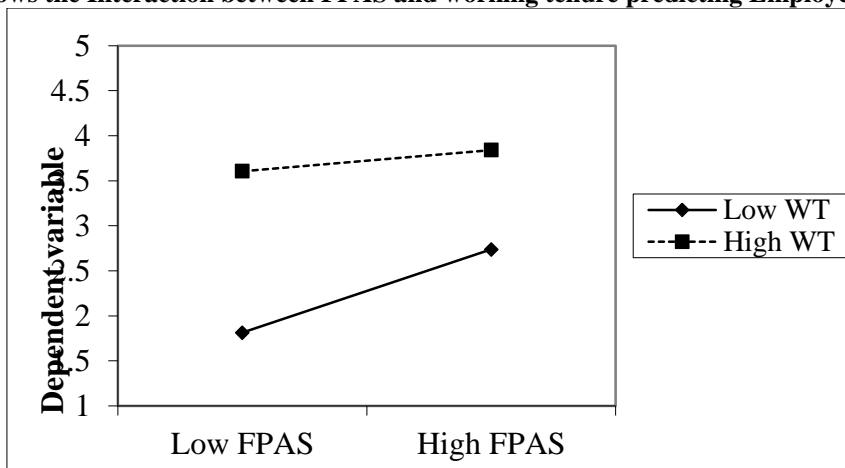
1. FPAS → ES

2. (FPAS → MWT) x (MWT → ES)

Note: R=0.728, R2=0.531, p=0.00, p < 0.05, **p < 0.01

Figure 5 shows the relationship with two lines between FPAS and working tenure, representing staff in their employment with less and more than five years. The findings show that with respect to FPAS there is a significant moderating impact of work tenure. FPAS is negatively linked to staff satisfaction at either below or above five years of work tenure. The line's slope is comparatively flat with more experience: the greater the work tenure, the lower the slope. Employees with elevated occupational tenure perform better when they have elevated FPAS levels than those with low occupational tenure rates.

Figure 5 shows the Interaction between FPAS and working tenure predicting Employee satisfaction



The results reveal that there is a significant moderating effect of job tenure with regard to FPAS. At either below or above five years of working tenure, FPAS is negatively related to employee satisfaction. With more experience, the slope of the line is relatively flat: the higher the working tenure, the smaller the slope. Employees who have high working tenure perform better when they have high levels of FPAS than those who have low levels of working tenure.

V. CONCLUSIONS

In this study Age and working tenure were taken as a moderator. Age is a weaker moderator in the results. As the age of employee increase satisfaction level towards appraisal decreases. On the other side (Son. & Ok., 2019) analyzed that “working tenure has a positive influence on the satisfaction of employees”. In this study working tenure is a strengthening the relationship between FPAS and ES. As the working tenure of employees increase, satisfaction level towards appraisal also increases. Both the moderators are reflecting the same results which are highlighted in the previous studies as indicated in the literature review.

We recommend that a systemic approach be applied when collecting information on rating interviews by organizations. Because the performance appraisal system is not a onetime process (Cappelli & Conyon, 2018) it is an ongoing activity. A repetitive method or a systemic method should be used to evaluate the fair appraisal process, which can serve its purpose. For better results, timely feedback from managers should be provided so that the system can be operational and evaluation of the system can also be seen. Doing so will highlight all the updated information for supervisors regarding the perception of a fair appraisal system process. This would act as a mediator by providing employee performance records and feedback about the system. The results of the study conducted by (Hussain & Shahzad, 2018) show that the supervisor's role is to make the bonding with their subordinates in a manner which that is aligned with the organizational characteristics and expectations.

VI. IMPLICATIONS FOR MANAGEMENT

The findings of this research have significant consequences for the policies and procedures of HR leadership. Our findings demonstrate a real-world processing tool and implementation methods to help top management know better the significance of creating an efficient fair assessment process.

VII. LIMITATIONS

There are several limitations to this study. First, the following research emphasizes the sector of banking and can be replicated in the future for other industries including the educational, industrial and telecom sectors.

Second, similar to other study research, the use of options based on respondent opinions and self-reported information may affect the precision of relationship models (Rachman, 2014). Previous studies (e.g., (Martin, 1987) discuss the use of such scales (e.g. Faired PA system and employee satisfaction) Higher mean values (greater leniency error) and a limited range (reduced variability error) are likely to occur in the observed scales. The use of supervisor ratings should be considered in future studies. Third, the sample used for these studies could trigger the "survivor bias" issue. Lastly, the information analyzes showed that the executives surveyed in this research were employed in the same organization for an average of 8 years. "Managers serving their organization are likely to have greater ties with the organization for a comparatively lengthy long period of time" (Mercurio, 2015). In addition, most of the managers engaged are about 40 years of age, which is similar to their work, which can offer biased outcomes when compared with their work experience. For these reasons, their organizational satisfaction is likely to be high in combination with more experience and familiarity with their employee, resulting in a high level of employee satisfaction.

VIII. REFERENCES

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