
Organizational Justice in Performance Appraisal System: Impact on Employees Satisfaction and Work Performance

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ABSTRACT: *Performance appraisal plays a vital role in human resource management system. It is used by organizations for the provision of development programs, reward allocation and also to provide fairness perception to employees about their tasks, jobs, organization, managers, and departments. It is a continuous process through which communication is affectively made between supervisors and employees of an organization. Job satisfaction of employee is necessary for increasing performance of work (Suliman, 2007), the employee need a good performance appraisal system for enhancing work performance. The purpose of this study is to examine the relationship of organizational justice (Procedural justice, distributive justice and interactional justice) with work performance with the mediation of performance appraisal satisfaction. The correlation and regression was used to analyze the variables and the results show that there is positive and significant relationship between organizational justice and work performance in manufacturing firms of Pakistan. There is also mediation of performance appraisal satisfaction and it enhances the work performance if present. The fairness perception of employee in performance appraisal process is most important factor which increase work performance of an employee in a particular organization.*

Keywords: Organizational Justice, Performance Appraisal system, Employee's Satisfaction, work performance, and Pakistani Organizations

Performance appraisal is an integral part of human resource management system. An organization implements the performance appraisal system to allocate rewards for the employees, provide development advice as well as to obtain their perspectives and justice perceptions about their jobs, department, managers, and organization. Performance appraisal is an ongoing communication process between employees and supervisors. Supervisor should set expectations, monitor performance, and provide feedback to employees. By having this information it will direct and develop employee performance by identifying training and development needs, correcting problems, determine raises and promotions.

Performance appraisal is necessary for following reasons:

- Provide review of past work performance and create opportunity to develop new performance goals.
- Establish lines of communication about employee performance.
- Create an opportunity to discuss professional development goals and objectives.
- Document employee performance and provide support increment, promotions, or terminations.
- Document corrective actions necessary to improve work performance.
- It is supervisors and managers responsibility to monitor, evaluate, and coach employees.

Performance appraisal also provides employee with useful feedback which they can apply it to improve their performance. The feedback includes suggestions to change and also encouragement. Performance appraisal system has a significant impact towards the employee perception of justice which it will affect the attitude and behavior of the employees; alternately it will affect the performance of the organization.

The employee's perception of fairness is the ultimate check for the success of the system. According to the organizational justice theory efficacy of appraisal system also depends upon the perception of fairness related to it. 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 that procedural fairness is considered to be more important by the employees than distributive justice and they are willing to accept some justice in the outcomes if they perceive the procedures itself to be fair. So the acceptance of the evaluation system also depends on the perceived fairness associated to it. With that it is also important that they perceive that they are being evaluated against what they are actually supposed to do on the job. That is the

evaluation instrument clearly measures their performance against their jobs related activities (Sabeen and Mehboob, 2008).

According to Robbins and Judge (2007), perception is the process by which the individuals organize and interpret their sensory impressions in order to give meaning to their environment. Perception can be different from the reality objective because different people have different behaviors and thoughts, therefore they will be disagreement among people view. Factors that influence a person's perception are from their personal characteristics, which include a person attitudes, personality, motives, interests, past experiences and expectations. Employee perception affects the performance appraisal as well as the organizational performance. A good perception will create a positive working environment in the organization while a negative perception will create a lot of problems to the organization and finally will affect the company performance. These perceptions which are created depend on the managers or superior actions and behaviors towards employee. If the immediate superior can give perks to the employee then a good perception will be created.

In a study done by Whiting, Kline and Sulsky (2008), employee perception of usefulness of performance appraisal system to be affected by:

- Manager training on the appraisal system and its purposes
- Goal setting and manage assistance in planning subordinate developments
- Relevance of the components of the performance appraisal
- Discussions of pay for performance
- Feedback and voice in the process
- Good relations with supervisors
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According to Sabeen and Mehboob (2008), employee perception of fairness of performance appraisal has been shown to be linked to satisfaction with the system. Fairness can be divided into two primary types. The first type of justice is referred to as distributive justice. Procedural justice is defined as the fairness of the process that leads to outcome distributive justice. It deals with the fairness of the effect of a particular decision. The opportunity to communicate information in the decision adds to judgments of the fairness of the decision making process. The most important performance appraisal issue faced by organizations is perceived fairness of the appraisal review and the performance appraisal system. The performance appraisal process can become a source of extreme dissatisfaction when employees believe the system is biased, political, or irrelevant.

Issues such as fair pay, validity of performance appraisal and adequacy of working conditions are judged by employees. In a way, it is to insure common perceptions and these perceptions are able to influence organization productivity (Robbin, 2003). To prevent this situation, managers must spend their time to understand employee's perception towards performance appraisal. Managers who fail to do so will face negative results such as absenteeism, turnover and lower job satisfaction. According to Steensma and Visser (2007), during performance appraisal sessions it is better to create a situation where position or power does not interfere with the willingness to discuss all the topics freely. Subordinates will feel that experts and supervisors with referent power have both the knowledge and the right to evaluate performance of subordinates and to discuss ways in which things can be done better.

Performance appraisal system will not be effective unless it is perceived to be fair by all of those involved in the process. Levels of stated satisfaction with performance appraisal system are clearly related to the perceived fairness of the system. The concept of fairness within organizations has been defined as organizational justice. The fairness of any organizational system provides a reward related to two main components, which are distributive and procedural justice. Procedural and distributive justice contributes equally to perceptions of fairness in performance appraisal system satisfaction. A link between organizational justice and performance appraisal system satisfaction has been researched and confirmed many times in the literature (Cook and Crossman, 2004).

Literature Review

This study was aimed to investigate the effects of employee's perceptions of organizational justice in performance appraisal system, and towards performance appraisal satisfaction and how it further affects the work performance. Further, the study identified the most common or main perceptions that employee would have on performance appraisal system and the reliability of this system. Besides, the studies have encompasses on the effects of employee perceptions toward work performance. Hence, this review of literature will be divided into following parts, (1) performance appraisal system (2) organizational justice in performance appraisal system (3) performance appraisal satisfaction, and (4) work performance.

Performance appraisal system: Performance appraisal involves measuring job performance whereby the view captures an essential element of the performance appraisal process without specifying the actual techniques used for measurement (Kavanagh, Benson

and Brown, 2007). In order, for appraisal system to be effective they need to be accepted and supported by it employees. According to Shen (2004), performance appraisal is the process of identifying, observing, measuring and developing human resources in organizations. Sabeen and Mehboob (2008) on the other hand, indicate that performance appraisal is a process of judgment and evaluation of subordinate's performance by the supervisor and Aguinis (2007) believed that performance appraisal is a once a year event that is often driven by human resource department.

Meanwhile, one important function of performance appraisals is to encourage and guide improved employee performance. If performance appraisals are perceived as unfair however, they can diminish rather than enhance employee attitudes and performance (Heslin and Walle, 2009). Specifically, perceptions of procedural justice unfairness can adversely affect employees organizational commitment, job satisfaction, trust in management, performance as well as their work related stress, organizational citizenship behavior, theft and inclination to litigate against their employer. Hence, performance appraisal is not the same as performance management. Performance management is a year round way of managing business that is driven by managers (Aguinis, 2007). Whereas performance appraisal emphasizes the assessment of an employee's strengths and weakness while it does not include strategic business considerations. Performance appraisal does not include extensive and ongoing feedback that an employee can use to improve his performance in the future. There are four activities in performance appraisal cycle in organizations, namely, definition of performance, performance measurement, and evaluation, feedback to the employee and application of the results in different organizational systems. By using this performance appraisal method an organization can evaluate the level of performance of an employee and also keep record of their performance achievement.

Shen (2004) has conducted a study on international performance appraisal policies, practices, and determinants in the case of Chinese multinational companies. The purpose of this study is to examine the Chinese international performance appraisal model by exploring performance appraisal policies and practices and the associated factors in Chinese multinational companies. Data for this study is derived from ten leading Chinese multinational companies. Total number of employees participated or about 18280 from local and international employees. This study used semi structured interview based survey. In each company there will be one general manager; one human resource manager and one executive manager in U.K subsidiaries have been interviewed.

Employee's satisfaction: Every performance appraisal has to be done fairly where no bias happens during the evaluation. How far this issue is followed is a concern because not every manager or superior is evaluating their subordinates fairly; sometimes it depends upon their relationship between each other. Performance appraisal has to be executed fairly so that the organization can get affective and actual appraisal. According to Cook and Crossman (2004), people will only be satisfied with the performance appraisal process if it fulfills the criteria of fairness. An appraisal can be doomed to failure if the feelings of unfairness in the process and inequity occur during evaluations (Kelly, Ang, Chong and Hu, 2008). These show the importance of an appraisal because by using appraisal result the human resource department can evaluate and do the necessary activities such as preparing the development plans, rewards, succession plans, bonus, promotion, increment and so on.

Employees are satisfied with their performance appraisal systems when there is trust in the supervisor and when the supervisors are supportive of their subordinate's feedback, particularly in the area of skill development, pay for performance, etc. Career advancement occurs during the appraisal session, and subordinates feel that they are given enough time to express their perspectives, have opportunity to influence the outcome and sufficient explanation of their ratings is provided (Whiting, Kline and Sulsky, 2008). Furthermore, a study was conducted by Kelly, Ang, Chong, and Hu (2008), on teacher appraisal and its outcomes in Singapore primary schools. The objective of this study was to examine the attributes of the performance appraisal system, how those attributes affect satisfaction; stress experienced with appraisal system, attitudes towards performance bonus, job satisfaction, and motivation, and perceived cooperativeness among teachers. The study was conducted via the questionnaire method and was distributed to 125 teachers but only 85 were retrieved because they responded to the survey on a voluntary basis. The questionnaire asked about their demographic data, attitudes towards job, desirability of having performance appraisal system, current performance appraisal system, and satisfaction of the system.

Researchers used factor analysis to identify factors of appraisal system attributes and factors of teacher's attitude and perception, step wise multiple regression were used. The results from the finding indicated that fairness and clarity of performance appraisal system are related to greater satisfaction with the appraisal system. In conclusion, this study gave insight on how various attributes of the performance appraisal system are related to important outcomes such as job satisfaction

and motivation. The finding may help to design and implement more effective performance appraisal system. Another study had been carry out on procedural justice and supervisors personal power bases effects on employee's perceptions of performance appraisal sessions, commitment and motivation (Steensma and Visser, 2007). This study was done to predict personal power bases of supervisors contributed to employee procedural justice perceptions, perceived procedural justice correlated positively with satisfaction with performance appraisal session, organization commitment, and motivation. A sample was drawn from employees of the Dutch treasury department. From 399 employees who were approached, only 178 participated. A five point likert scale format was used. The questionnaire is about performance appraisal sessions, several procedural justice aspects, personal power bases of supervisors who administer the performance appraisal session, motivation, satisfaction, commitment and a few demographic variables. The findings of the study reveal that perceived procedural justice of performance appraisal sessions correlated positively with subordinate's satisfaction with the performance appraisal sessions, organizational commitment, and motivation of subordinates to perform well.

The strongest correlation was found with satisfaction, meanwhile correlation between procedural justice and commitment. In the conclusion people are motivated by two social laws, which are selfishness and considerations of fairness. From the observation, organization which use fair performance appraisal procedures do not only get good valuable information but also succeed in promoting feelings of satisfaction, commitment and motivation of their employees.

A performance appraisal system will not be effective unless it is perceived to be fair by all those involved in the process. This was indicated by Cook and Crossman (2004). The levels of stated satisfaction with performance appraisal system are clearly related to the perceived fairness to the system. The concept of fairness within organizations has been defined as organizational justice. The fairness of any organizational system which provides a reward is related to two main components, namely distributive justice which is an individual's perception about their rewards in relation to their contributed effort and comparison with others effort and procedural justice which is an individual's perception about the fairness of the procedures used to make decisions about rewards. Distributive and procedural justice contributed equally to perceptions of fairness in performance appraisal system. It is based on the previous study to identify the level of satisfaction of performance appraisal which had discovered the relationship between a person's function within a

performance appraisal system and the expressed level of satisfaction. The study examines two aspects of procedural justice and combined with the level of satisfaction with the appraisal interview process and interactions with supervisor (interactional justice).

An important element affecting fairness perceptions is the judgment bases on evidence, where raters must be seen to apply performance standards consistently across employees without distortion by external pressure, corruption or personal biases (Poon, 2004). There is past evidence that procedural justice is related to employee satisfaction and turnover intention. There had been a lot of studies already done regarding the application of performance appraisal system satisfaction in the organization and its effect to work performance. Despite all of the studies, there is still no clear understanding of performance appraisal system satisfaction that its existence has created a lot of perceptions. Even there do not have clear picture on how this performance appraisal satisfaction will affect work performance.

Organizational justice in performance appraisal system: There are a lot of employee perceptions on performance appraisal system that will affect the organizational performance. In this study, I will focus on three independent variables in the organizational justice that are, distributive justice, procedural justice and interactional justice. Specifically, organizational justice is concerned with the ways in which employees determine if they have been treated fairly in their jobs and the way in which those determinations influence other work related variables (Moorman, 1991). The globalization trend, technology development, new business practices and technology continuously influence organizations in Pakistan. Many companies are also facing intensive challenge of improving employee's job satisfaction, organizational commitment, to gain competitive advantage and retention of key employees in organization. Further, employees were more satisfied when they felt they were rewarded fairly for the work they have done by making sure rewards were for genuine contributions to the organization and consistent with the reward policies (Fatt, Khin and Heng, 2010).

Further, Fatt, Khin and Heng(2010), considered the justice climate of procedural, distributive and interactional and suggested that the provision of training of managers to ensure that all of their employees perceived fair treatment. According to Suliman (2007), the concept of organizational justice has been driven from different angles by different writers. Most researchers agree that it is "a dominating theme in organizational life". Generally, organizational justice is overall perceptions of fairness in all organizational

processes and practices are assumed to influence the behavior and work outcomes. It comprised of three different components which are distributive, procedural, and interactional justice (Robbins and Judge, 2007).

Distributive justice: A study by Moorman (1991), indicates that distributive justice describes the fairness of the outcomes and employee receives. Meanwhile, according to Fernandes and Awamleh (2006), distributive justice refers to the concerns expressed by employees with regard to the distribution of resources and outcomes. It is the individual within the organization who determines the fairness of the distribution through comparison with others. The employee is concerned about the equity aspect of justice, does the individual think they got what they deserve? In the form of workloads, work schedules, salary levels, bonuses, promotions or housing allowance. It deals with the employee's perception of whether the outcomes are fair or otherwise forms the basis of concept of distributive justice.

According to Suliman (2007), distributive justice is concerned about employee satisfaction with their work outcomes which will lead to organizational effectiveness. Employee perceptions of distributive justice are based largely on comparison with others that are inevitable in the workplace. For example, co-workers may compare their salaries. If the comparison result is positive, they are likely to feel positive towards the system. However, if the result is negative, employee may sense that they are at an unfair disadvantage resulting to others. They may wish to challenge the system that has given rise to this state of affairs. Systems in which resources are distributed unfairly can become quite prone to disputes, mistrust, disrespect and other social problems.

Procedural justice: Procedural justice is the fairness of the procedures used to determine those outcomes (Moorman, 1991). Whereas, Korsgaard and Roberson (1995), defined procedural justice as the perceived fairness of the procedures used to make allocation decisions. It is independently related to attitudes towards the decisions and the organization. According to the Fernandes and Awamleh (2006), these procedures should be consistent, bias free and take into account the concerns of all parties and be normally acceptable. Here, employee concern about whether the decision processes fair and process used to determine the outcome was just. It is mainly concerned with the fairness of the means that an organization uses to determine outcomes. Meanwhile according to Suliman (2007), perceptions of procedural justice have consistently been shown to affect variety of outcomes variables. Tayler and Belliveau (1995) argue that fair procedures tend to

inspire feelings of loyalty to one's team or group, legitimize the authority of leaders, and help to ensure voluntary compliance with the rules. In general, procedural justice in organization decision making has been shown to have positive impact on variety of employees decision and some emotional and behavior reactions. These consequences of procedural justice include variables such as organizational commitment, trust, satisfaction, compliance with decision and performance.

According to Heslin and Walle, one defining element of procedural justice is providing individual with voice in making decisions that affect them. Further, they have proposed that fair procedures also include, where for instance, bias suppression rather than decisions based on perceptions, accuracy in terms of reflecting all variables and relevant information and correct ability in light of employee input. In addition, when looked in the context of performance appraisals, procedural justice pertains to the apparent fairness of the procedures by which an individual's performance is evaluated.

Interactional justice: Interactional justice relates to the fairness of interpersonal communication relating to organizational procedures (Fernandas and Awamleh, 2006). It is concerned with how the information was communicated and whether individuals affected by a decision were treated with respect in a courteous and civil manner in other words being treated with respect and dignity. Whereas, Suliman (2007), stated that fairness is the one of the most important factors of work environment that influences manager employee relationships, employee relationships and organizational employee relationship. The employee's perceptions of fairness in the organization procedures and processes is assumed to influence his or her relationship with the organization, co-workers and managers, which in term affect his or her behavior and work outcomes. Cottringer (1999), argued that creating and managing fairness is important for work organization because it has an impact on employees attitudes and performance.

Work performance: According to Aguinis (2007), performance is about behavior or what employees do and not about what employees produce or the outcomes of their work. Performance is determined by combination of declarative knowledge, procedural knowledge, and motivation. There are two important facets of performance which are task and contextual. Task performance or work performance refers to the specific activities require by one's job. Meanwhile contextual performance refers to the activities require to be a good member of the organization or as a citizen. Both task and contextual performance are needed for

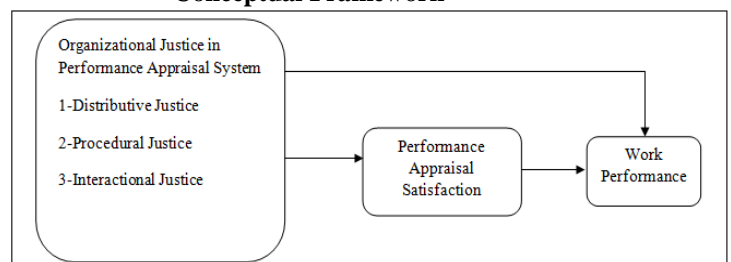
organizational success and both should be included in a performance management system.

The study done by Kuvaas (2007), indicated that there is a strong belief that as long as employees accept or are satisfied with performance appraisal or when performance appraisal is properly managed, performance appraisal will be positively related to work performance. Kuvaas (2007) studied different relationships between perceptions of developmental performance appraisal and work performance. This study is to examine two different relationships between employee perception of developmental performance appraisal and self reported work performance. This survey was done by distributing a questionnaire using web based tools to all employees, about 434 employees results from the cross sectional survey.

The result shows that the relationship between perceptions of developmental performance appraisal and self reported work performance was mediated by employee's intrinsic motivation and strongly moderated by their autonomy orientation. Five point likert response scales were used as the measures. The findings reveal that autonomy orientation was strongly related to work performance which implies that developmental performance appraisal adversely affects the best performers which may b particularly critical for knowledge based organizations with few management levels and high level of autonomy for individual employees. Autonomy orientation moderated the relationship between perceptions of developmental performance appraisal and work performance. The findings of the study imply that participation and autonomy support may be particularly crucial for employees with strong autonomy orientation.

This shows there is a relationship between performance appraisal system and work performance. If the performance appraisal system is evaluated fairly and without bias then it will satisfy the employee and when the employee is satisfied with the performance appraisal system then the employee will produce better work performance. This is how performance appraisal satisfaction is related to work performance.

Conceptual Framework



Research Methodology

To analyze the study construct we select 13 manufacturing firms working in Faisalabad, Pakistan. Data was collected from those employees who are directly related to performance appraisal system. Respondents include front line managers, executive, middle level officers in the organization and the persons that involve in designing performance appraisal system.

Instrument that was used in research consist of three main construct, satisfaction of performance appraisal, work performance, and organizational justice. We used Principal component analysis (PCA) for factor extraction in the study. Factors were identified from the principle component analysis and tested for reliability by using Cronbach's Alpha. The value of Cronbach's Alpha for the entire construct is 0.707 showing good internal consistency of the constructs.

Research Findings

Correlation analysis: After using exploratory factor analysis to test and purifying the measurement model we used Correlation analysis to check the relationship of the study's construct. The relationship was found between distributive justice and performance appraisal satisfaction ($r = 0.662$, $p < 0.01$) so the hypothesis 1 is accepted. The relationship was also found between procedural justice and performance appraisal satisfaction ($r = 0.582$, $p < 0.01$) so hypothesis 2 was accepted in correlation analysis. There was significant relationship found between interactional justice and performance appraisal satisfaction ($r = 0.384$, $p < 0.01$) so hypothesis 3 was accepted in correlation analysis.

The correlation analysis was successful to detect relationship between distributive justice and work performance ($r = 0.848$, $p < 0.05$), so the hypothesis 4 was accepted. Procedural justice was having a significant relationship with work performance ($r = 0.582$, $P < 0.05$) so hypothesis 5 is accepted. Hypothesis 6 was accepted in correlation analysis because the relationship between interactional justice and work performance was found significant ($r = 0.384$, $p < 0.05$). Finally, the significant relationship was found between performance appraisal satisfaction and work performance ($r = 0.608$, $p < 0.05$).

The correlations are shown in table 1.

	Mean	Standard deviation	DJ	PJ	IJ
Distributive justice (DJ)	4.0085	0.62548			
Procedural justice (PJ)	4.0334	0.66887	0.645**		
Interactional justice (IJ)	4.0887	0.64254	0.435*	-0.088	0.634**
Performance appraisal satisfaction (PAS)	4.1672	0.17450	0.848**	0.418*	0.384*
Work performance (WP)	4.2936	0.22008	0.662*	0.582**	0.608**

Regression analysis

In regression analysis hypothesis 1 was rejected, that distributive justice has found insignificant relationship with performance appraisal satisfaction ($\beta = 0.17610$, $t = 0.922$ and $p > 0.01$). Hypothesis 2, procedural justice has found positive and significant relation with performance appraisal satisfaction ($\beta = 0.356$, $t = 2.060$ and $p < 0.01$). Hypothesis 3 was also accepted and interactional justice was found in positive and significant relationship with performance appraisal satisfaction ($\beta = 0.588$, $t = 4.004$, $p > 0.01$).

Variables	performance appraisal satisfaction		
	β	t- value	Standard Error
Distributive justice	0.176	0.922	.156
Procedural justice	0.356	2.060	.100
Interactional justice	0.588	4.004	.043
R ²	0.638		
F-value	17.062		

Hypothesis 4 was accepted that distributive justice has significant and positive effect on work performance ($\beta = 0.756$, $t = 4.519$ and $p < 0.01$). Hypothesis 5 was rejected and there was positive but insignificant relationship between procedural justice and work performance ($\beta = 0.100$, $t = 0.666$ and $p > 0.01$). Hypothesis 6 was also rejected and interactional justice was found in positive but insignificant relationship with work performance ($\beta = 0.064$, $t = 0.496$, $p > 0.01$).

Variables	performance appraisal satisfaction		
	β	t- value	Standard Error
Distributive justice	0.756	4.519	.177
Procedural justice	0.100	0.664	.114
Interactional justice	0.064	0.496	.049
R ²	0.724		
F-value	25.326		

Finally, H7 that performance appraisal satisfaction is positively related to work performance was accepted in regression analysis ($\beta = 0.608$, $t = 4.266$ and $p < 0.01$) that performance appraisal satisfaction has positive relationship with work performance. All these regression analysis complete the requirement of mediation which is developed by Baron and Kenny (1986) they defined that following three regression equations should be estimated to test mediation: (1) Regressing mediator on the independent variable, (2) Regressing the dependent variable on the independent variable, and (3), regressing the dependent variable on both the independent variable and on the mediator. Separate coefficients for each equation should be estimated and tested. Moreover, a perfect mediation holds if independent variable has no effect on dependent

variable when mediator is controlled. As our mediating variables (distributive justice, interactional justice and procedural) have no direct relationship with outcome variable (work performance), that's the reason for not performing a separate regression analysis to test the indirect effects of organizational justice on work performance.

Table 4			
Regression Analysis for hypothesis 7			
Variable	work performance		
	β	T-value	Standard Error
Performance appraisal satisfaction	0.608	4.266	0.186
R ²	0.370		
F-Value	18.200		

Recommendations

The results of this study suggested that there exists the role of mediation of performance appraisal satisfaction in performance appraisal satisfaction and organizational justice. The more the employee is satisfied with the performance appraisal the more his performance increase. This research focused on performance appraisal fairness and recommend that there should be feedback provision system in the organization that is necessary for the better understanding of employee needs and telling him organizational objectives. Interactional justice is more important to increase satisfaction and perception about performance appraisal system before and after the performance appraisal process. This research also concludes that the three types of organizational justice are more important and they significantly impose their affect on the performance of employees.

Limitations and Future Research

There are also some limitations of this research which offer valuable information for future considerations. Firstly, by making foundation on our survey data, we found that there is no significant relationship between satisfaction of performance appraisal and distributive justice. Future research can conduct longitudinal studies for examination of three basic independent variables which are procedural justice, distributive justice and interactional justice in analyzing the performance appraisal systems and their impact on work performance. Secondly, the culture of Pakistan has also impact on the results and its affects the relationships performance appraisal systems and their performance. Further research can expand our model by including national culture in the performance appraisal system and work performance relationship.

Finally the informants were selected only from the employee side; the data can be collected from both side form supervisor or managers and employees for more valid measures. The similar research can be conducted in other

Conclusion

This research explored the significance of satisfaction in performance appraisal system and employee perception about the performance appraisal and it also analyzed how work performance can be increased by fairness of organizational justice perceptions among the employees of an organization. The research findings indicated that there will be more increased performance of work in the organization if the employees feel and perceive it fair and accurate. The analysis of result indicated that there is mediating role of performance appraisal satisfaction in the organizational justice and work performance relationship that increase the work performance. The managers should keep in mind that they should be cooperative in performance appraisal and also provide feedback of that appraisal to employee that will obviously increase the work performance and finally organizational performance will increase and the profitability and perception of fairness will be created in the employees of organization.

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