CONDUCTING PERFORMANCE APPRAISALS IN THE IRISH HOTEL SECTOR:
A STUDY EXPLORING EMPLOYEE PERFORMANCE APPRAISAL SATISFACTION AND ITS IMPACT ON THE MOTIVATION TO IMPROVE PERFORMANCE.

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ABSTRACT

The primary objective of this research was to explore the relationship between employee performance appraisal satisfaction and the motivation to improve performance among Irish hotel employees. To accomplish this, the author examined the impact of organisational justice as encompassed by four constructs, namely procedural, distributive, interpersonal and informational on employee satisfaction with performance appraisals.

The research design was explanatory in nature with the author undertaking a positivistic deductive approach and a quantitative method to answer the research questions and test proposed hypotheses. The study adopted a survey strategy and used a self-administered questionnaire to collect data from employees working in three Dublin city four star hotels. A total of 113 managerial and non-managerial employees have participated in the survey.

The research revealed positive and significant relationships between variables illustrating that all four dimensions of organisational justice form the basis for employee appraisal satisfaction. The findings supported the hypotheses that procedural, distributive, interpersonal and informational justice have significant positive influence on employee appraisal satisfaction in the organisation. Likewise, a strong positive correlation was established between employee satisfaction with the performance appraisals and motivation to improve performance.

The findings highlighted the need for Irish hotels to adopt and implement a fair and effective performance appraisal system that positively influences employee performance and their future development. Employees must experience positive appraisal reactions to be satisfied with the system. Generating and cultivating those reactions should be the focal point of every HR practitioner and manager in Irish hotels.

Based on the findings of the research, a number of recommendations were suggested to HR practitioners and managers to make the appraisal systems more efficient in service-oriented industries such as the hotel sector.
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## GLOSSARY AND DEFINITIONS

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<thead>
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<th>Acronym</th>
<th>Definition</th>
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<tr>
<td>HR</td>
<td>Human Resources</td>
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<tr>
<td>PA</td>
<td>Performance Appraisal</td>
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<tr>
<td>CIPD</td>
<td>Chartered Institute of Personnel and Development</td>
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<td>OJ</td>
<td>Organisational Justice</td>
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### Performance Appraisal
- A systemic process which evaluates and provides feedback on employee job performance, including actions to improve or redirect activities as needed.

### Appraisee/Ratee
- An employee involved in a performance appraisal meeting with a manager to discuss the employee’s performance, progress, aims, and future work objectives.

### Appraiser/Rater
- A Manager or Supervisor who evaluates the employee performance by providing feedback and identification of training needs.
CHAPTER 1 INTRODUCTION

In an increasingly competitive Irish hospitality industry, it is critical to have a highly skilled and talented workforce which is able to respond to customers’ needs in a smart and effective way. As a result, Human Resources (HR) policies in the hotel industry aims to promote high service standards and develop their employees to deliver excellent service and satisfy customers, which is the key success of that business.

With employee performance development coming to the fore as never before, HR practitioners in hotels are challenged to implement and conduct successful performance appraisal (PA) systems that will increase the motivation of employees to perform better in their roles.

Employee performance is key in the delivery of services due to the direct connection between the employee and the customer. As the only witness and assessor in this relationship is the customer, organisations must trust their team members to deliver a high quality service. Organisations through their HR policies must advise and support employees on the best way to perform and achieve results. Performance appraisal represents one of the most significant tools in performance management to evaluate and manage the value that team members and their contributions bring to the organisation’s strategic goals, particularly to customer satisfaction.

Considering the potential of employees working in Irish hotels is significant as they are the future managers of this industry. These employees will generate, sustain and drive the business with both customer satisfaction and high productivity. Without doubt, the role of the performance appraisal system is central in this regard, with organisations expected to design and implement effective appraisal systems which will develop and motivate employees (Kuvaas, 2006).

This research focuses on employee performance appraisal satisfaction and its vital role in the motivation to improve performance. Armstrong and Baron (2004) indicate that the performance appraisal is the most valuable tool in the
hospitality industry because employees directly interact with customers and their performance is key to the success or failure of the customers’ experience.

The research topic has been chosen by taking into consideration the significance of the appraisal function in the management and development of performance in organisations. Performance appraisal has a strategic implication in the identification and determination of employee training needs, compensation, reward and promotion, encouragement of performance improvement and development of working standards (CIPD, 2015; DeNisi and Smith, 2014; Warokka, Gallato and Moorthy, 2012).

A just and effective evaluation will lead to employee satisfaction with the appraisal system. In turn, perceptions of fairness and satisfaction will have an influence on the affective and attitudinal reaction, such as motivation to enhance work performance (Nassar and Zaitouni, 2015; Iqbal, Ahmad, Haider, Batool and Qurat-ul-ain, 2013; Kim and Rubianty, 2011).

Employees are satisfied provided organisations meet their needs and expectations related to compensation, training and equity (Baum, 2006). If employees are dissatisfied with appraisal systems or with appraisers/managers behaviour during evaluation (such as misjudgement and subjectivity), demotivation occurs, followed by job dissatisfaction and higher turnover intentions (Heslin and Vanderwalle, 2011; Oh and Lewis, 2009; Roberson and Stewart, 2006).

Organisational justice theory implies that procedural, distributive, interpersonal and informational justice have a significant influence upon employee’s affective reactions towards their performance evaluation. Creating and maintaining positive justice perceptions is fundamental to overall employee satisfaction with the appraisal scheme (Warokka et al., 2012; Thurston and McNall, 2010).

The shift work nature of many hotel jobs, coupled with the low compensation, inadequate benefits and poor working conditions, indicate that employees in these roles have different expectations of organisational justice and may also have different perceptions regarding performance appraisals and workplace relationships. As most justice research has been conducted in industries where employees work stable hours and have better pay and benefits, this research
gives great insights into the role of justice perceptions on employee satisfaction with appraisal systems among Irish hotel employees. Equally, the researcher aims to assess the relationship between performance appraisal satisfaction and the motivation to improve performance.

Prior research reported similar relationships, with the findings highlighting the essential role positive and justice employee perceptions play in satisfaction with the appraisal system and work motivation (Nassar and Zaitouni, 2015; Shrivastava and Purang, 2011; Kuvaas, 2006).

In 2006, Kuvaas conducted a survey among Norwegian bank workers and reported a significant relationship between performance appraisal satisfaction and work performance, which was both mediated and moderated by employees’ intrinsic work motivation.

Jawahar (2007) suggested that the success of the appraisal system depends on the perceived perceptions of fairness during the process. This finding is supported by Narcissea and Harcourt (2008) together with Kim and Rubianty (2011) who established that distributive, procedural, and interactional justice factors influence employee perceptions of appraisal justice. In addition, Iqbal et al. (2013) described a relationship between performance appraisals and employee’s work performance with motivation acting as a moderator.

Academic literature emphasises the need for developing a fair and effective PA practice, as the system is frequently associated with unfairness, inconsistency, appraiser bias and politics (Heslin and Vanderwalle, 2011; Oh and Lewis, 2009).

Despite the abundant literature, little research has explored the appraisal system and its role in the Irish hospitality industry. In 2015, Nassar and Zaitouni examined and illustrated a strong positive relationship between perceptions of organisational justice, perceived competence of the supervisor and perceived supervisory support in hotel employees in Egypt. While various research papers in Ireland have studied aspects such as performance appraisal effectiveness, motivation of appraisal and employee perceptions towards the system, no studies have explored the relationship between appraisal satisfaction and motivation among Irish hotel employees applying organisational justice theory.
Therefore, the aim of this research is to examine employees’ perceptions of the appraisal system through the four justice dimensions; procedural, distributive, interpersonal and informational. Furthermore, to establish the relationship between satisfaction with the appraisal systems and motivation to improve performance among employees working in three Irish hotel properties. The author has the objective to:

1) Study the current literature relating to the research question, objectives and hypotheses.
2) Understand and examine employees’ justice perceptions related to their appraisal experiences, satisfaction and motivation to perform better.
3) Reach conclusions with regards to aforementioned relationships and make recommendations to further develop performance appraisal systems to meet employees’ motivational needs and organisational goals.

The dissertation starts with the introduction and follows with the literature review chapter which provides a contextual overview of the research and defines key conceptualisations and definitions relating to organisational justice, performance appraisal and motivation. The methodology chapter outlines and justifies the methodological approach and research design undertaken. A detailed explanation of population and sample, data collection methods and measurements scales is offered together with data analysis strategy and limitations of the approaches adopted. Ethical considerations are acknowledged with reliability and validity of the study supported.

Chapter four illustrates the research findings, with the following chapter discussing and analysing the results. Chapter six provides conclusions for the thesis and makes recommendations and suggestions to HR practitioners and managers of how to develop their approaches to create and implement successful performance appraisal systems in Irish hotels.
CHAPTER 2 LITERATURE REVIEW

As highlighted in the previous chapter, the hotel industry requires highly effective HR policies related to performance appraisal systems which promotes high performance and competitiveness. The evaluation system needs to provide an environment for employees to perform well and strive for continuous improvement” (Haynes and Fryer, 2000).

The relationship between motivation, satisfaction and work performance cannot be underestimated since they constitute the three key factors in the workplace. Therefore, the operation of an appraisal system should be based on theories of motivation and organisational justice to ensure satisfaction and efficiency.

According to Fletcher (2001) providing feedback and setting goals is the primary objective of appraisal schemes in hotel industries, while motivation is affected by the satisfaction of performance appraisal activities (Kuvaas, 2006).

2.1 The Purpose of Performance Appraisals in Organisations

Synonymous with performance review and performance evaluation, performance appraisal represents a HR practice usually carried out by line and senior managers to evaluate employee performance and provide feedback. Performance appraisals aim to identify the support and training needed by team members in their roles to achieve future performance objectives and expectations (CIPD, 2015).

A performance appraisal system is also designed to measure and control employee performance by integrating the system in the overall organisational performance and business results (DeNisi and Smith, 2014).

Studies highlight a number of reasons for implementing an appraisal system. Most researchers agree upon two key purposes which are administrative, related to salary administration, retention and promotion; and developmental, that involves identification of training needs which are usually established following the evaluation of employee performance strengths, weaknesses and feedback.
Employee performance appraisals are vital as they support decisions in terms of bonuses and pay increases, training and discipline (Sudin, 2011), aid in job mentoring, negotiation of developing work performance, increasing morale, improving the work atmosphere, setting clear job expectations and responsibilities and improving communications between teams (Palaiologos et al., 2011).

Additionally, they provide comprehensive information to owners and managers to increase the organisation’s ability to achieve its business goals (Nassar and Zaitouni, 2015). Finally, high performance employees greatly benefit from appraisal systems as they are recognised during the process, giving them the meaning and motivation to achieve better results (Kondrasuk, 2012).

However, as Youngcourt, Leiva and Jones (2007) argued, the emphasis on individual purposes, administrative and developmental, which are being focused in distinguishing among or within individuals, is not sufficient. In today’s competitive market and talent shortages, employees are empowered to make decisions regarding designing and adapting their roles to the changing environments and customer needs, therefore improving organisational performance. Consequently, a third performance appraisal purpose was highlighted, that of role definition. This is very useful to the organisation as data gathered during performance reviews can provide insights into role significance and competency, guiding the employer in resource allocation decisions.

The combination of two functions of employee evaluations can be quite challenging for both participants. Kondrasuk (2012) has emphasised the conflicting role of the appraiser who finds himself/herself in the position of simultaneously being a ‘counsellor’ who guides and helps the employee to improve performance; and ‘judge’ who decides on wage increases and promotional opportunities.

Ganesh and Joseph (2011) suggested that such as complex performance review system may alienate appraisees, while Shrivastava and Purang (2011) observed that performance appraisals are often viewed as political, unfair, irrelevant and
biased. As a result, employees are dissatisfied with the system and view it as ineffective.

On opposite side, as Roberts (2003) noted, a participatory appraisal process where employees are involved in setting appraisal standards and procedures, performance goals, self-evaluation and appraiser/manager acceptance led to system satisfaction, motivation and productivity.

Academics highlight the need to explore the relationship between the perceived employee appraisal purpose and satisfaction with the system; as many support that the purpose influences the outcome, employee perceptions fairness, appraisal efficiency and satisfaction with the system (Youngcourt et al., 2007; DeNisi and Pritchard, 2006).

### 2.2 Employee Perceptions of Performance Appraisals in Organisations

Previous studies established significant relationships between perceptions of performance appraisals and employee’s attitudes towards organisational commitment, job satisfaction ad turnover intentions (Brown, Hyatt and Benson, 2010). Similarly, relationships are evident between perceptions of performance evaluations and individual behavioural outcomes such as employee work performance (Kuvaas, 2006) and organisational citizenship behaviour (Thurston and McNall, 2010).

Appraisal systems are increasingly considered as an extremely important HR practice that will assist appraisers/managers in linking the employee’s work competencies and performance outcomes with the company’s strategic objectives (Nassar and Zaitouni, 2015).

Employees must view the appraisal as a positive process and be satisfied with it. Satisfaction with the appraisal scheme will encourage and motivate employees to perform better, while the relationship between the manager and employee will improve (Dusterhoff, Cunningham and MacGregor, 2014). In contrast, if employees believe the process is unfair, inaccurate and lacks transparency they will be dissatisfied leading to negative outcomes such as not
accepting appraisal results, demotivation, poor performance, job dissatisfaction and greater intentions to quit (Brown et al., 2010).

A number of factors are associated with employee reactions to performance appraisals. Providing more positive feedback has come to be extremely significant and it is often recommended in the effort to improve the system generally. As Dusterhoff et al. (2014) pointed out, the higher the evaluation rating and the more positive the feedback, the more likely the positive reactions and satisfaction with the performance appraisal.

Furthermore, appraisal reactions are considerably affected by the perceived fairness of the process itself. A fair performance appraisal is related to positively perceived reactions and higher employee satisfaction, and finally a more positive appraisee-appraiser relationship ensures increased employee satisfaction and agreement with the performance evaluation (Elicker, Levy and Hall, 2006).

Brown et al. (2010) categorised perceived performance appraisal reactions into two groups. They indicated that the quality of perceptions regarding performance appraisals are affected by two major elements: the system procedures, related to perception of formal process controls and consistency, and interpersonal treatment concerned with the fairness and the manner employees are treated during the appraisal.

In support of this argument, Pichler (2012) highlighted the influence of a high quality employee-manager relationship for employee reactions in the evaluation process. He noted that good connections between participants in the appraisal encourages knowledge sharing between team members and fosters innovative and creative behaviour. Furthermore, employee perceptions of performance appraisal in organisations considerably impacts the overall effectiveness of the process, with employee satisfaction being the most significant criteria among all reactions (Jawahar, 2007).
2.3 Perspectives on Organisational Justice and its Dimensions

Organisational justice refers to employee perceptions of fairness in the workplace and represents the most influential and dominant approach taken by practitioners and researchers in understanding performance appraisal reactions (Dusterhoff et al., 2014; Thurston and McNall, 2010; Elicker et al., 2006).

Organisational justice theory offers a good framework to study and explain the employee fairness perceptions of appraisal systems in the organisation. As Thurston and McNall (2010, p. 204) note, “Organisational Justice is deeply rooted in social exchange theory” which reports that social relationships are seen as exchange processes in which individuals bring their input and expect certain outcomes accordingly. Furthermore, people assess the fairness of these interactions by processing information obtained via social communications.

Originally, social justice theory proposed that social interactions were considered fair when the rewards which individuals received were in balance with their efforts and contributions (Adams, 1963; cited in Sumelius, Björkman, Ehmrooth, Mäkelä and Smale, 2014). Later, this theory developed into the distributive dimension of organisational justice, defined as the perceived fairness of the processes by which decisions are made and allocation or distribution of outcomes in the organisational setting (Greenberg, 1990).

Subsequently, studies have found that individuals will tolerate some injustice in outcome distributions providing the procedures used to arrive at those outcomes were accurate and fair (Greenberg, 1990). Hence, procedural justice, the second dimension of organisational justice is concerned with the fairness of the processes that precedes certain outcomes (Nassar and Zaitouni, 2015; Dusterhoff et al., 2014; Warokka et al., 2012).

To decide whether organisational processes are fair, employees can use a number of procedural determinants such as the decision making procedure, the system through which information is gathered, the method in which the procedures are changed and appealed, and the approach taken to select individuals (Leventhal, 1980, cited in Dusterhoff et al., 2014). Any unfair practices uncovered during this process will lead to employee perceptions of injustice in organisations.
The third dimension of organisational justice, interactional, has emerged due to theoretical separation within procedural justice and was firstly described by Bies and his colleagues in 1986. A distinction was made between the approach in which decision outcomes were reached and the methods by which these were communicated and implemented, thus, focusing on interactions among subordinates and managers in the organisational setting (Colquitt, 2001).

Despite this, a number of consequent studies, e.g. Warokka et al. (2012); Narcisse and Harcourt (2008); Fernandes and Awamleh (2006) have disagreed on separating interactional dimension from procedural justice, viewing it as an interpersonal aspect of the latter.

Greenberg (1993, as cited in Warokka et al., 2012) was one of the first authors to apply organisational justice theory to performance appraisal practice and conducted significant research on the influence of justice dimensions on perceived fairness of the system in the organisational setting. He argued that interactional justice consists of two key elements which include interpersonal justice (the manner in which individuals are treated during organisational processes) and informational justice (the approach taken to explain and communicate results and outcomes within the work environment).

Colquitt (2001) has developed this argument and found that procedural, distributive, interpersonal and informational justice were distinct dimensions of organisational justice. The meta-analysis conducted by Colquitt, Conlon, Wesson, Porter and Yee in 2001, has also supported the distinction between the four justice constructs. They found evidence that interpersonal and informational justice were strongly connected, however, this connection was not sufficient to combine them into one construct, the interactional justice.

2.3.1 Procedural Justice
Perceived fairness of the procedures used to determine appraisal outcomes develop employees’ procedural justice. Independent from evaluation ratings and administrative consequences, the procedural construct of organisational justice refers to employee perceptions of fair treatment during the process and their ability to express their views during appraisal.
Folger, Konovsky, and Cropanzano (1992) have created a model of procedural justice which comprised three essential components in the performance appraisal process. These involved adequate notice, a fair hearing and judgment based on evidence.

Adequate notice refers to the information on the appraisal system which is given to employees before the actual review is conducted and includes performance standards and objectives that are set in advance of evaluations. It also involves providing constructive feedback on performance deficiencies before the evaluation is carried out, giving the employee an opportunity to improve.

Williams and Levy’s (2000) research, has supported the above by illustrating that system knowledge is dominant in perceived procedural fairness. A fair hearing provides an opportunity for the appraisee to have a ‘voice’ and challenge the evaluation decision, while the third factor gives them a chance to seek evidence on performance related feedback and appraisal ratings.

Narcisse and Harcourt (2008) have further developed the model by adding perceptions of review frequency, criteria of job relevancy and training of both participants. Likewise, Thurston and McNall (2010) established that fair views of procedural justice are shaped by perceptions on how qualified are the appraisers, how accurate and adequate are the performance criteria selected, and lastly, the opportunity for employees to seek appeals.

2.3.2 Distributive Justice

Fernandes and Awamleh (2006) have found that the distribution of resources and outcome has greatly affected employees’ perception of distributive justice. Influenced by the equity aspect of justice, appraisees compare themselves with others and determine the fairness in distribution of various work aspects such as salary, bonus, work load and promotion. However, appraisers are often concerned with other distribution norms, for instance, social status, equality, and organisational interest which may be perceived as unfair by those evaluated (Suliman, 2007).

Furthermore, personal goals of appraisers such as conflict avoidance and individual gain may have a major impact on perceived distribution of resources and outcomes (Thurston and McNall, 2010). Likewise, the perception of
consistency has an impact on rewards distribution, as stated by Narcisse and Harcourt (2008).

2.3.3 Interpersonal Justice
The interpersonal factor plays one of the key roles in performance appraisals and relates to fairness perceptions that employees develop during appraisal interactions. It is mainly concerned with the way employees are treated by evaluators during the appraisal process (Warokka et al., 2012).

In his study, Greenberg (1986) proved that a highly influential element between the appraisee-appraiser interactions during performances evaluation was the understanding shown by the managers and other team members in the organisation. This was particularly noted when the outcome is not as good as expected and managers show concerns related to these received outcomes.

For example, empathy and other expressions shown by evaluators during outcome delivery can alleviate employees’ perceptions of unfairness during the process. Additionally, respect, honesty and politeness exhibited during appraisals had a positive impact and increased employees’ interpersonal justice perceptions and satisfaction with the system (Colquitt et al., 2001).

Suliman (2007, p. 296) also highlighted three important elements that form the interpersonal construct in organisational justice. The first emphasised the significance of appraisal fairness perceptions: “Treat employees the way you want to be treated”. The second factor stressed the importance of two-way communication between the employees and supervisors. He argued that “creating a work environment that is open, honest and responsive to employees is critical to establishing employee ownership”. Finally, the third element underlined the key role of trust in work relationships, especially the trust developed during the appraisal process. Trust is considered to be the essential element of employee-manager interaction during performance appraisal and is linked to the supervisor’s professional ability, integrity and personality (Nassar and Zaitouni, 2015).

2.3.4 Informational Justice
The informational construct develops fairness perceptions related to the communication and explanation of appraisal outcome decisions. It also includes
clarification of standards and organisational objectives required, feedback on performance expected as well as justification of decisions about why certain procedures were used or why outcomes were distributed in a certain way (Dusterhoff et al., 2014).

Often studied as a constituent of interactional justice, which concerns the behavioural approach taken by evaluators in implementing organisational procedures, informational justice focuses on the system and adequacy in which procedures are described and explained. However, it is different from the interpersonal element which is related to the behaviour of those who make and communicate decisions during the appraisal process (Roberson and Stewart, 2006).

Bies and Moag (1986, cited in Roberson and Stewart, 2006) suggested that procedures during performance reviews are assessed on how truthful the appraiser is during evaluations, demonstrating adequate behaviour when communicating decisions and the degree to which evaluators explain and rationalise their decisions and appraisal outcomes. Moreover, research illustrates that justification and explanation of rationale in appraisal decisions are not the only two important factors affecting perceptions of fair treatment. The explanations must also be timely, specific and reasonable (Colquitt, 2001).

Academics have much debated on the dimensionality of the construct as they recognised different dimensions of organisational justice. Greenberg (1993, cited in Thurston and McNall, 2010) proposed that interactional and informational justice could be considered as interpersonal aspects of distributive and procedural justice. Others have argued that misconceptions exist with regards to the concept and distinctions between interactional and interpersonal justice and their definitions (Roch and Shanock, 2006).

According to Roch and Shanock (2006) some developments have generated confusion on the interactional construct of organisational justice. For instance, Colquitt (2001) recommended that interactional justice must be distinct and should be segregated into interpersonal and informational justice.

Nonetheless, many researchers continue to use the term interactional justice when studying constructs of performance appraisal which Colquitt divided as
interpersonal and informational. The reason being that no clarity exists whether informational justice can be regarded as a separate construct of organisational justice.

Academics have not taken into consideration the fact that one of the originators of the construct has reviewed his conceptualisation of interactional justice. According to Roch and Shanock (2006), the new approach taken by Bies in defining the interactional construct is very similar to what Colquitt characterised as interpersonal justice with the informational element kept separate.

As a result, few studies have explored the four justice typology, consisting of distributive, procedural, interpersonal, and informational justice (Nassar and Zaitouni, 2015; Thurston and McNall, 2010).

Colquitt (2001) brought one of the strongest arguments in distinguishing between the four justice dimensions and demonstrated that each justice construct has sole impacts on different organisational aspects. Additionally, no clear and current measure of interactional justice exists in the academic literature, which makes it impossible to investigate the distinction between interactional and interpersonal justice. To expand, interpersonal justice relates the social side of distributive justice, while informational justice is the social side of procedural justice (Nassar and Zaitouni, 2015; Roch and Shanock 2006).

Therefore, in this study, the author will keep the four organisational justice dimensions separate. While the four constructs of justice are strongly linked together, the author believes that there are sufficient arguments that they remain fundamentally different.

2.3.5 Organisational Justice in Hospitality Industry

More and more studies are interested in exploring employee organisational justice perceptions in the hospitality industry. They highlight the vital role employees play in customer satisfaction and organisational success. Equally, the significance of employee job satisfaction in turnover and retention which can be achieved through organisational justice and successful performance appraisals (Nassar and Zaitouni, 2015; Hemdi and Nasurdin, 2006; Lee, 2000).
In Lee’s (2000) empirical study, organisational justice in the hospitality industry has acted as a mediating vector and indicated that distributive and procedural justice positively affected employee job satisfaction, interpersonal working relationships and perceptions.

In contrast, Hemdi and Nasurdin (2006, p. 35) reported, that organisational justice within the hospitality industry was connected with work dissatisfaction and “deviant behaviour” which was a consequence of perceived negative distributive and procedural justice. Since their research was carried out in Malaysia the findings from the study may not be generally applicable.

In 2011, Chan and Jepsen described how organisational justice impacts employee perceptions of fairness in the hospitality industry and found that employees compared received outcomes related to salary and bonuses using performance appraisals. From a social exchange perspective, they indicated employees who were treated in a fair manner expected to act in favour of the organisation, whereas the level of organisational commitment towards team members has modified their behaviour.

Organisational justice in the hospitality industry has been addressed in many studies, however little evidence exists with regards to the effect it has on employee motivation to improve performance. Also, more research is needed to explore organisational justice perceptions in the Irish Hotel industry.

2.4 Employee PA Satisfaction and Motivation to Improve Performance

Work performance employee behaviour is related to specific activities required in the work place and is affected by a number of factors such as procedural knowledge, declarative knowledge and motivation (Warokka et al., 2012).

Motivation is that “interior enthusiasm and drive” that makes an individual accomplish high work performance and outcomes. Extrinsic motivation arises when individuals are motivated to act and engage in a task to get a reward or avoid a punishment, while intrinsic motivation occurs when individuals perform and conduct themselves in a certain way as it is personally rewarding (Chaudhary and Sharma 2012, p. 30).
At times, academics differentiate the two types of motivation, extrinsic and intrinsic motivation, and explore the concepts as separate entities. In this study, the author will not differentiate between the two types. The reason being that performance appraisals conducted in the participating organisations are both administrative (linked to salary increases and rewards) and developmental (linked to training and development).

The satisfaction with performance appraisals has been defined as the “positive affective reactions of employees towards the performance appraisal system” (Shrivastava and Purang, 2011, p. 636) and has been the focal point of numerous academic studies.

Barzoki, Mahdi and Malihe (2012, p.161) suggested that the main purpose of performance appraisals is to “arouse motivation in the employees”. Motivation of employees has great impacts on the overall performance of the organisation as appraisees are the major assets in achieving productivity and objectives.

Maslow (1943) draws attention to the esteem and self-fulfilment needs in workplace motivation, with individuals seeking to constantly develop themselves. A performance appraisal offers training and recognition which is a source of encouragement for employees. Furthermore, the work of McClelland (1987), reported on achievement and power as leading factors in employee’s motivation in the workplace, both of which are also present in the appraisal process. Communication is another important factor in motivation at work and the appraisal process is an opportunity for the organisation to communicate with its employees. Organisations may recognise the efforts accomplished and support appraisees on their career path as well as their training and development (Nassar and Zaitouni, 2015).

The manner of communication also contributes to the motivation of employees. A demanding approach, lack of listening and critical remarks could lead to unsatisfied and demotivated appraisees leading to the failure of the system (Walker and Miller, 2010). Research reports that employee satisfaction with performance appraisals has substantial influences on various fundamental employee attitudes such as organisational commitment, job satisfaction and turnover intentions (Brown et al., 2010), trust in managers (Nassar and Zaitouni,
Kuvaas (2006) highlighted the mediation effects of motivation and suggested that a fair, accurate and efficient appraisal systems will result in high employee satisfaction with evaluations and subsequently enhance work performance. His research has supported the findings of Folger et al. (1992), which suggested that employee reaction to the appraisal process differ contingent on perceptions of performance evaluation fairness related to separate dimensions of organisational justice.

In addition, findings revealed that employees would be satisfied with the performance appraisals once they had a greater understanding and approved the criteria applied in the evaluation, felt the outcome of the review had influenced their level of compensation and considered the processes in the appraisal accurate and fair (Dusterhoff et al., 2014; Brown et al., 2010).

There is strong evidence that if employees accept and are satisfied with the three major components of the appraisal; performance ratings (increased procedural justice), supervisor and feedback (interpersonal and informational justice) and distribution of rewards (distributive justice), performance appraisals will be positively related to work performance (Nassar and Zaitouni, 2015; Selvarajan and Cloninger, 2012; Roberson and Stewart, 2006).

As Thurston and McNall (2010) described, employee perceptions are connected to their affective reactions, while their reactions are linked to their behaviours. Individuals in organisations develop views about their roles and contributions to the work place which are related to self-perceptions of efforts and work abilities. When perceptions of performance appraisals are inconsistent with their beliefs in terms of contributions to the organisation it can lead to dissatisfaction in the appraisal systems.

The results in the work of Roberson and Stewart (2006) highlighted a positive relationship between procedural justice and motivation to improve performance in appraisal contexts. Conducted in the United States, their research was consistent with previous justice studies which found that procedural fairness has a positive effect on work performance. The model used in their research tested
the mediating impact on procedural justice in the appraisal accuracy-motivation relationship, which was significant and positive. Accurate and fair feedback perceived as procedurally fair had a positive influence on recipients’ motivation to improve performance.

In Indian banks, performance appraisal is key in managing the performance and contributing to motivation of employees given the system meets their fundamental needs (Shrivastava and Purang, 2011). They suggested that fair treatment is an imperative fundamental need and when appraisees perceive that they are fairly treated, it can be a source of motivation for employees in their future performance enhancement.

Selvarajan and Cloninger (2012) also found a positive association between perceived fairness in terms of interactional, distributive and procedural justice, appraisal satisfaction and motivation to improve performance.

While the above studies give great insights into the concepts of organisational justice and its impact on motivation to increase work performance, their findings cannot be generalised beyond the studied samples since relationships may differ in other industries and countries. Therefore, research across other industries and countries is required before any definite conclusions and recommendations could be drawn.

Significantly, the work environment and social interactions in the workplace can also affect employee beliefs and attitudes. That is why, the four dimensions of justice perceived by appraisees will give the framework to connect satisfaction with the appraisal and its impact on motivation and work performance (Nassar and Zaitouni, 2015). As performance appraisals create the basis of various important organisational decisions, satisfaction with different aspects of the appraisal system will lead to employee recognition among the team members and future prospects with the company.
2.5 Conclusion

The justice literature has provided evidence that employee satisfaction with the appraisal system is affected by the fairness of the evaluation outcomes (distributive justice), the processes and procedure employees are subjected to (procedural justice), fairness of the interpersonal treatment (interpersonal justice) and explanations they receive during appraisal (informational justice).

Additionally, research suggests that satisfaction with performance appraisals directly contributes to motivation of employees in the work place by developing positive attitudes and behaviours with regards to job performance.

Despite this, little research explored the above constructs in the Irish hotel industry which determined the author to undertake this study. The research seeks to explore the relationship between organisational justice perceptions and employee appraisal satisfaction and establish the impact it has on motivation to enhance work performance.
CHAPTER 3 RESEARCH METHODOLOGY

3.1 Introduction

This chapter sets out the research question, study objectives and hypotheses. The author also identifies and describes the research methods available and the rationale for choosing the methodological design for this study. This section further details and justifies the sample selection, data collection and analysis strategy as well as the limitations of the research approach chosen. The ethical considerations are also summarised and acknowledged.

3.2 Research Objectives and Hypotheses

The purpose of this study is to add to the existing knowledge of performance management systems conducted in organisations and contribute to developing an effective and successful appraisal practice in Irish hotels.

The research aims to explore the relationship between perceived performance appraisals satisfaction and motivation to improve performance among hotel employees and proposes to:

1. Establish whether employees have a clear understanding of the purpose of performance appraisals conducted in the organisation;
2. Examine the effects of justice perceptions on employee satisfaction with performance appraisals, specifically:
   (a) Procedural Justice perceptions – employee satisfaction with the procedures used to arrive at the performance appraisal outcome related to information accuracy, consistency, bias, right of appeal and ability to express individual views and feelings;
   (b) Distributive Justice perceptions – employee satisfaction with the distribution of outcomes in accordance to respondents’ contributions, how accurate and appropriate are these in relation to work performed, justification of same.
   (c) Interpersonal Justice perceptions – employee satisfaction with interpersonal treatment during performance appraisal which involves justification (explanation the basis for decisions and outcome), truthfulness (manager qualities of being fair, open and honest), respect
(being respectful), and propriety (refraining from criticism or inappropriate remarks or statements).

(d) Informational Justice perceptions – employee satisfaction with communication and explanation of procedures during performance appraisal.

3. Learn whether employees are satisfied with the appraisal system conducted in the organisation and the impact it has on employee motivation to improve performance.

4. Analyse the relationship between appraisal satisfaction and employee motivation to enhance work-related behaviour.

Organisational justice theory suggests that distributive, procedural, interactional and informational fairness perceptions influence employee attitudes towards appraisal satisfaction. Consequently, fairness perceptions and appraisal satisfaction can be a source of motivation for employees to improve their performance (Shrivastava and Purang, 2011; Kuvaa, 2006).

Hence, the research is based on the theory that an appraisal system which is perceived to be just and fair can positively influence the motivation of employees to increase performance.

The author proposes to test the following hypotheses:

**Hypothesis 1:** Perceived procedural justice with performance appraisals will be positively related to employee satisfaction with the system.

**Hypothesis 2:** Perceived distributive justice with performance appraisals will be positively related to employee satisfaction with the system.

**Hypothesis 3:** Perceived interpersonal justice with performance appraisals will be positively related to employee satisfaction with the system.

**Hypothesis 4:** Perceived informational justice with performance appraisals will be positively related to employee satisfaction with the system.

**Hypothesis 5:** Employee satisfaction with performance appraisal will be positively related to motivation to improve performance.
3.3 Research Philosophy

As Saunders, Lewis and Thornhill (2012) describe, research is supported by a philosophical framework that determines the world view within which the study is positioned. The choices of methodology are driven by the researcher’s assumptions and values of reality which are brought into the study.

These assumptions and values could be ontological, which refers to the beliefs and values the researcher develops about the nature of reality. Epistemological, perspectives concerned with the author’s understanding of the nature of knowledge and the relationship between the researcher and the participants, and axiological, related to research ethics and values and the author’s views regarding the studied issue.

The two distinct aspects of ontology speak about objectivism, which believes the existence of reality is independent of social factors; and subjectivism which sees the world as socially constructed (Wahyuni, 2012). Within epistemology, positivist research underlines the scientific approach to collecting and analysing data to formulate general conclusions. In contrast, the interpretivist research is associated with the subjective nature of human interactions and highlights the meanings and interpretations of participants in the study.

In the positivist view, the existent theory drives the development of hypotheses, the research being conducted in a deductive manner involving numerical data and statistical analysis. On the other hand, the interpretivist approach is associated with social interactions, quality of data and the study is conducted in an inductive manner where empirical research contributes to the development of theory (Bryman and Bell, 2011).

The author’s views regarding the nature of reality is positivistic, rather than interpretivist. That is why, in the current study, the researcher adheres to the positivist paradigm in carrying out the deductive approach, specifically because the theory and research question precedes and leads to the development of hypotheses. These aim to establish correlation and relationships between variables using operationalised concepts and a statistical approach to examine quantifiable data.
3.4 Research Design

The choice between quantitative and qualitative methods occurs frequently in deliberations on research method and design. Qualitative and quantitative research approaches differ depending on the method in which data is collected and analysed. The qualitative approach relates to human behaviour and their views, feelings and experiences; and relies on collecting data in a non-numerical form by generating subjective data. In contrast, quantitative research obtains data in numerical form and proceeds with statistical analysis (Wahyuni, 2012).

As Bryman and Bell (2011) describe, the quantitative approach uses a social research method that adopts a natural science and positivist view to social phenomena and is often used to assess satisfaction, commitment and experiences that can be utilised for developing efficient business strategies. Social phenomena have an objective reality and the relationships are being assessed in terms of generalisable experiences.

On the other hand, the qualitative approach believes that reality is socially constructed and has preference in collecting in-depth understanding of participants’ attitudes and views through open question interviews. Exploratory by nature, the quantitative approach aims to build themes and hypotheses to study and explain social experiences.

Research can either pursue a mono method, one of the aforementioned methods; or a combination of data collection techniques, which can involve both qualitative and quantitative approaches to data collection, also known as mixed methods. Also, choices can be made with regards to the period of time during which the research is carried out.

Cross-sectional research can be undertaken at one point in time, while longitudinal studies are conducted over a period of time (Saunders et al., 2012).

Explanatory research examines the relationship between two concepts and explains the phenomena studied, rather than only describing it. Quantitative in nature, explanatory studies usually test research proposed hypotheses by establishing the significance of relationships between variables (Saunders et al., 2012).
In positivism, a quantitative method ensures objectivity, mainly due to the distance maintained between the participants. Thus, the author takes a neutral stance to avoid the risk of bias, which could undermine the validity of research (Wahyuni, 2012).

In the explanatory approach, a variety of strategies could be undertaken such as survey, experiment or case study. While an experiment could discover a more comprehensive view of relationships, e.g. cause and effect, it is considered to be unfeasible for most business and management research questions. Although undertaking a case study could give a comprehensive understanding of the research area, the findings cannot be generalised beyond the studied population (Quinlan, 2011).

However, a survey is a popular research strategy that is used in management and business research and has a number of benefits. Firstly, it provides accurate and reliable data on the participants’ demographics, important insights on individual’s feelings and opinions as well as on the correlation between the studied variables (Saunders et al., 2012). The survey research engages with the respondents to investigate the single objective reality they encounter. In positivism, a single objective reality exists and the survey research is an appropriate strategy to explore these experiences (Quinlan, 2011).

Established theory which acts as a foundation for the proposed research question and hypotheses determines the approach taken to the current research design, which is an explanatory study. Furthermore, a quantitative method has been chosen due to a number of reasons as follows:

(a) Current study replicates the same methodology from prior research which had explored similar theories, constructs and relationships. The approach is believed to objectively measure attitudes and experiences which are consistent with the purpose and objectives of undertaken study.

(b) Quantitative methods seek to understand and analyse respondents’ views, attitudes and experiences without influencing the responses. This can be achieved by ensuring the researcher is not connected with the participants and his/her views and perceptions do not interfere with those
of respondents. Therefore, the quantitative approach will ensure the validity of the study as the risk of bias will be minimised through the author’s detachment from the participants.

(c) Due to time constraints. As the researcher aims to collect data from a large group of employees, using a qualitative research approach could be very time consuming. The current study seeks to gather perceptions and experiences with regards to performance appraisal system from 250 employees located in three different hotels across Dublin. Therefore, it is considered to be impossible to interview all employees within the timeframe allocated for this research.

Finally, a survey was used to collect data for this study. The survey collected and analysed respondents’ perceptions and experiences, established the various relationships between variables, created models of these relationships and generated results about the research question and hypothesis. The survey was delivered via the internet using the Survey Monkey software package as it was familiar to the author, affordable and recognised to be efficient and reliable in undertaking business research (Quinlan, 2011).

3.5 Population and Sample

A population is a set of individuals who can be used in a study while a sample represents the number of accessible members from the population that can be involved for the purpose of research. Despite probability sampling being the most representative of the population, the researcher used non-probability sampling due to limited resources, time constraints and access to participants.

In non-probability sampling, consideration was given with regards to its methods which included purposive sampling (used for interview surveys), quota sampling (used for small sample sizes) and convenience sampling, where cases to be studied are most accessible (Saunders et al., 2012).

Due to the restrictions summarised earlier and because random methods were not necessary to answer the research question and test the hypotheses, the author has engaged a non-probability convenience sample of 250 employees working in three different Irish hotel properties in Dublin. The sample involved all employees who had participated in the performance appraisal process in the past.
twelve months and included general staff, supervisors as well as senior managers. The hotel departments were: Accommodation, Front Office, Food and Beverage, Maintenance, Reservations, Sales and Accounts.

The hotels have provided and granted permission to use employee’s personal email addresses for the purpose of the study. The survey was sent to employees during office hours via the internet using a web link.

113 respondents completed the questionnaires, giving a response rate of 45%. The respondents’ age ranged from 18 to 65; the mean age group was 25-34 years (Std. Deviation = 0.89). 56% were female 44% were male. 23% were managers, 15% were supervisors and 62% were general team members. Tenure ranged from one year to more than 10 years; the mean and standard deviations for tenure were: M = 1-2 years, (Std. Deviation = 1.2).

3.6 Data Collection Strategy

The researcher used a self-administered questionnaire to collect data for this study (see appendix two). The questionnaire was sent to respondents in the form of a survey via the internet and a two-week time frame was given for respondents to return the completed questionnaires.

Sample size, characteristics of the individuals and the significance of not affecting the answers are among the key factors influencing the choice of questionnaire in research (Saunders et al., 2012).

Although the use of self-administered questionnaires encompasses negative elements such as missing data, low attrition rate and incomplete answers, the author will use this method as it allows the collection of data from a large number of participants, are quicker and inexpensive to administer, are convenient for respondents and are free of bias. Bias can occur when the author influences the respondents’ answers with his/her own views and when the findings are misinterpreted (Quinlan, 2011).

To decrease the element of bias, the researcher disregarded questionnaires containing erroneous or missing data. The email sent to respondents contained a message explaining the purpose and objectives of the study, it encouraged participants to take part in the survey and highlighted the voluntary participation.
as well as the anonymity and confidentiality of answers given for the research (see appendix one).

3.7 Measurement Scales

The measurement scales for this research were adopted from Colquitt’s (2001) study which explored the dimensionality of organisational justice and provided evidence of construct validity for a new justice measure. By using seminal research in the justice literature, Colquitt has generated a sum of items and validated the measure by using two separate studies that engaged university students and employees in a manufacturing company.

Confirmatory factor analyses have supported a four factor structure to the measure and made a distinction between distributive, procedural, interpersonal, and informational justice dimensions.

3.7.1 Procedural Justice Items

Concerns with procedural justice have originated with Thibaut and Walker's (1975, cited in Colquitt 2001, p. 388) observations of courtroom settings where the perceived fairness of the verdict was often independent from the process that led to the verdict. As a result, they have developed two criteria for procedural justice: process control - the opportunity to express one's opinions and arguments during the procedure; and decision control - the capability to directly influence the decision.

Following their work, organisational justice literature has supported and validated the control procedural justice criteria with studies applying the procedural justice concept to non-legal settings.

The procedural justice construct was evaluated by assessing the process itself against various procedural criteria such as consistency (the procedures are consistent in relation to individuals and time), bias suppression (those making decisions are impartial), information accuracy (the process is based on accurate information), correctability (outcomes can be appealed by using set procedures), representation (people affected by the decisions are listened to), and finally, ethicality (the procedures maintain standards of morality and ethics). The
procedure was considered just granted the above rules were sustained (Colquitt 2001, p. 388).

3.7.2 Distributive Justice Items
Distributive justice is concerned with the extent to which the distribution of outcomes is consistent with the objectives of the specific situation, e.g. increasing productivity and maximising relationships such as team work or cooperation. It has been mainly influenced by the equity aspect of justice as the major goal during distributive justice research was to maximise productivity (Colquitt, 2001).

Leventhal (1976, p. 94, cited in Colquitt, 2001, p. 389) described the equity rule as “a single normative rule which dictates that rewards and resources be distributed in accordance with recipients’ contributions”. Furthermore, equality or need, are among other important rules in the allocation of outcomes which is connected to the appropriateness of the outcome, given the contributions during the process.

3.7.3 Interpersonal and Informational Justice Items
Based on employee expectations for interpersonal treatment during recruitment, Bies and Moag (1986, cited in Colquitt, 2001), have identified four criteria for interactional justice construct in an organisational setting. They involved justification (explaining the basis for decisions and outcome), truthfulness (supervisor qualities of being open and honest), respect (being respectful), and propriety (refraining from criticism or inappropriate remarks or statements).

The informational justice items have investigated the criteria that improve the perceived adequacy of explanations. It has been established that explanations were identified to be more adequate when they were timely, specific, reasonable and interactive.

Among other factors, Folger and Bies (1989, cited in Colquitt, 2001, p. 390) summarised managerial responsibilities related to justice implementation of the decision making process in organisations, to include: being unbiased, adequacy and accountability with regards to employees’ opinions, consistency in decision making, providing timely and accurate feedback, justification for the outcome.
and decisions, treating employees with respect and dignity and communicating truthfully.

The model developed by Colquitt (2001, p. 389) has formed the basis for this research. The style of some questions were slightly modified to suit the present research and hypotheses. As participants in this study were both Irish and non-Irish nationals the wording was adapted to facilitate better understanding for all participants (Table 1).
### Table 1. Colquitt's Measure Scales

<table>
<thead>
<tr>
<th>Measure item and source on which item is based</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Procedural justice</strong>&lt;br&gt;The following items refer to the procedures used to arrive at the outcome. To what extent:</td>
</tr>
<tr>
<td>1. Have you been able to express your views and feelings during those procedures? Thibaut &amp; Walker (1975)</td>
</tr>
<tr>
<td>2. Have you had influence over the (outcome) arrived at by those procedures? Thibaut &amp; Walker (1975)</td>
</tr>
<tr>
<td>3. Have those procedures been applied consistently? Leventhal (1980)</td>
</tr>
<tr>
<td>4. Have those procedures been free of bias? Leventhal (1980)</td>
</tr>
<tr>
<td>5. Have those procedures been based on accurate information? Leventhal (1980)</td>
</tr>
<tr>
<td>6. Have you been able to appeal the (outcome) arrived at by those procedures? Leventhal (1980)</td>
</tr>
<tr>
<td><strong>Distributive justice</strong>&lt;br&gt;The following items refer to the (outcome). To what extent:</td>
</tr>
<tr>
<td>1. Does your (outcome) reflect the effort you have put into your work? Leventhal (1976)</td>
</tr>
<tr>
<td>2. Is your (outcome) appropriate for the work you have completed? Leventhal (1976)</td>
</tr>
<tr>
<td>3. Does your (outcome) reflect what you have contributed to the organisation? Leventhal (1976)</td>
</tr>
<tr>
<td><strong>Interpersonal justice</strong>&lt;br&gt;The following items refer to (the authority figure who enacted the procedure). To what extent:</td>
</tr>
<tr>
<td>1. Has (he/she) treated you in a polite manner? Bies &amp; Moag (1986)</td>
</tr>
<tr>
<td>2. Has (he/she) treated you with dignity? Bies &amp; Moag (1986)</td>
</tr>
<tr>
<td>3. Has (he/she) treated you with respect? Bies &amp; Moag (1986)</td>
</tr>
<tr>
<td>4. Has (he/she) refrained from improper remarks or comments? Bies &amp; Moag (1986)</td>
</tr>
<tr>
<td><strong>Informational justice</strong>&lt;br&gt;The following items refer to (the authority figure who enacted the procedure). To what extent:</td>
</tr>
<tr>
<td>1. Has (he/she) been candid in (his/her) communications with you? Bies &amp; Moag (1986)</td>
</tr>
<tr>
<td>2. Has (he/she) explained the procedures thoroughly? Bies &amp; Moag (1986)</td>
</tr>
<tr>
<td>3. Were (his/her) explanations regarding the procedures reasonable? Shapiro et al. (1994)</td>
</tr>
<tr>
<td>4. Has (he/she) communicated details in a timely manner? Shapiro et al. (1994)</td>
</tr>
<tr>
<td>5. Has (he/she) seemed to tailor (his/her) communications to individuals' specific needs? Shapiro et al. (1994)</td>
</tr>
</tbody>
</table>
Motivation to improve performance was measured by using a three item scale developed by Fedor et al. (1989, cited in Selvarajan and Cloninger, 2012). The participants were asked to rate the impact of their recent performance appraisal on their motivation to improve performance in the future. A five-point Likert-type measurement scale was used ranging from 1, ‘strongly agree’ to 5 ‘strongly disagree’. All measure scales for this study had been previously tested for validity and reliability, as they have been used in prior research that had explored similar theories, constructs and relationships.

3.8 Reliability and Validity

Reliability in research is connected to consistency of findings and whether the results of a study can be repeated. Validity, on the other hand, refers to how well a test measures what it is purported to measure (Bryman and Bell, 2011).

To consider a measure reliable and valid, a number of key factors need to be considered such as stability, internal reliability, inter-observer consistency, face validity (ascertains that the measure assesses the intended construct under study) and construct validity which ensures that the measure is actually measuring what it is intended to measure (Saunders et al., 2012).

The positivistic approach and quantitative methodology employed in the study allowed for analysis of numerical data impartial of external influences.

3.9 Pilot Study

To obtain accurate and reliable data, the researcher used a pilot study to test and improve the questionnaire design. Questionnaires were distributed to ten employees working in the same hotels that took part in the study. The participants were asked for feedback to identify ambiguities and difficult questions. All questionnaires were returned, for a response rate of 100%. Tests of internal consistency (Cronbach's alpha) were carried out to evaluate the reliability of all scales used. All scales used in the questionnaire demonstrated satisfactory levels of internal consistency reliability.

Based on the feedback received, the wording of the question concerning employees’ length of service in the organisation was modified. Given that English is not the first language of many employees working in the hotels, not
all participants were familiar with the term “Tenure”. The rest of the questions were all answered so re-wording or re-scaling was not necessary. The researcher also recorded the time taken to complete the questionnaire and decided that it was reasonable.

### 3.10 Data Analysis Strategy

Data analysis allows examination and drawing of conclusions from raw data to answer research questions and test hypotheses (Wahyui, 2012). All data is recorded into numerical codes to be analysed, with quantitative variables recorded as ordinal, ratio, scale; and qualitative variables recorded as nominal. To describe central tendency, the researcher examines the mean (the average), mode (the most frequently occurring value), and median (the middle value in data) (Saunders et al., 2012).

To assess correlations between dependent and independent variables, a bivariate analysis could be used. Univariate analysis occurs when one variable is described at a time, while bivariate analysis examines the existing relationships between pairs of research variables (Bryman and Bell, 2011). To study these relationships, parametric tests (e.g. Pearson correlation) are usually engaged given data is normally distributed, with non-parametric tests employed otherwise (e.g. Spearman correlation).

The author, having decided on a quantitative approach, aimed to test the research hypotheses and establish relationships between observed variables and their statistical significance. To analyse data for this research, Statistical Package for the Social Sciences (SPSS) was used, as it is the most useful and appropriate tool for analysis of surveys (Saunders et al., 2012).

Data from the questionnaires was inputted into SPSS for statistical analysis. The researcher commenced with descriptive analysis and continued with inferential hypotheses testing. To facilitate interpretation, data was coded by the researcher, with pie charts, scatter plots and tables used to illustrate the findings.

Position and gender were recorded as nominal variables, while length of service and age were recorded as scale variables. To describe age groups, age was
recoded into a nominal variable containing six groups (age range: 18-24; 25-34; 35-44; 45-54; 55-65, over 65).

Length of service was recoded into a nominal variable for the same purpose and also included six groups (employees who worked with the company between 1-2 years, 3-4 years; 5-6 years; 7-8 years; 9-10 years and over 10 years’ tenure). Likert scale scores for distributive, procedural, interpersonal and informational justice were recorded as ordinal variables. Shapiro-Wilk tests (p > .05) and visual inspections of histograms, box plots and normal q-q plots shown that the data was not normally distributed. Therefore, non-parametric tests were used. Specifically, Spearman correlations were employed to test for relationships between the studied variables.

3.11 Limitations

Examining employee performance appraisal satisfaction using multiple methods may have allowed for the researcher to gain and explore the key issues more comprehensively, as using both qualitative and quantitative research with multiple methods can reveal more about particular phenomena (Saunders et al., 2012). Similarly, a longitudinal study may have revealed different findings given the purpose and feedback provided to employees during the appraisal process.

However, due to time and access constraints, personal knowledge of the three hotels, performance appraisal system and employee turnover rates, it was decided that quantitative research was most appropriate for the purpose of the study.

Furthermore, due to convenience sampling there was a great probability for selection and response rate bias which subsequently could have under represented or over represented the target population. (Saunders et al., 2012). Likewise, due to time, financial and access limits, the sample chosen for this research was limited in its scope, which involved only employees from three different properties working within the same hotel group. Hence the findings of the study cannot be generalised across the entire population or other organisations within the same or other industries.
Finally, the researcher faced a social desirability bias while undertaking the study which means that respondents could have felt pressure to give socially desirable answers while taking part in the study (Wahyui, 2012). To avoid and minimise the risk of bias happening, the respondents were assured that participation in the survey was completely voluntary, anonymous and confidential.

3.12 Ethical Considerations

Research ethics refer to “the standards of behaviour that guide the conduct of the researcher in relation to the rights of those who become the subject of the work, or are affected by it” (Saunders et al., 2012, p. 226). They emerge in all stages of the research, starting with the research design and question, gaining access, collection and storing of data and finishing with analysis and research findings.

To conform to the ethical code in undertaking current research, the author has gained permission from the hotel group management to carry out the survey with employees. The next step was to inform the participants about the nature of the study. For this purpose, an email was sent out outlining the purpose of the research and the extent of participation in the survey, while assuring that participation was completely voluntary, confidential and anonymous (see appendix one).

Ethical norms have also been considered in the phrasing of questions in the survey to avoid misleading or discriminatory questions. Obtained electronic data was password protected and stored in a secure device. The researcher was the only person who had access to data and examined the provided personal information and answers.
CHAPTER 4 FINDINGS

4.1 Introduction

This chapter aims to summarise and illustrate data collected by the survey questionnaires and outline the main findings and results of research objectives and relationships between the studied variables. Tables and graphs were used to display the findings to facilitate the analysis of results.

The findings chapter firstly presents the demographic status of employees who participated in the study. Further, the researcher examines employees’ opinions regarding the purpose of performance appraisals in the organisation. Finally, relationships between research variables and their significance are summarised.

4.2 Demographic Profile of Respondents

The questionnaire for this study was distributed among all employees who participated in the performance appraisal system within the three hotels and no special preference was given to any particular department or employee.

A total of 113 employees took part in the study with participants belonging to different age groups and genders. Their tenure and position have also varied which offered a broad perspective and view about the research question and objectives of the study.

4.2.1 Age of Respondents (Q1)

Figure 1 provides an overview of the age profile of respondents. Over a half of participants in this study are aged between 25-34, totalling 51% of the respondents. The next most common age group is 35-44 comprising 25% of all participants. A total of 16% of respondents are between 18-24 years of age and only 5% of employees range between 45-54 age group. The least number of respondents belonged to 55-65 age group (3%); with no participants over 65 years old.
4.2.2 Gender of Respondents (Q2)
It can be observed in Figure 2 that of 113 respondents, 63 are female (56%) and 50 are male (44%).

4.2.3 Tenure of Respondents (Q3)
A total of 43% of the respondents are working in the organisation between 1-2 years, 27% between 3-4 years, 13% are with the company between 5-6 years and 10% between 7-8 years. The least of participants (3%) are with the company between 9-10 years and only 4% of respondents are working with the company for over 10 years. (Figure 3).
4.2.4 Position of Respondents (Q4)

From 113 employees that took part in this study, 62%, 70 respondents are general team members and 23%, 26 employees are managers. Only 17 (15%) of respondents are supervisors (Figure 4).
4.3 The Purpose of Performance Appraisals conducted in the Organisation (Q5)

The first objective of this study was to establish whether employees have a clear understanding of the purpose of the performance appraisals conducted in the organisation.

**Figure 5** shows that half of respondents, 50% are of the opinion that the main purpose of PA conducted in the company is to evaluate job performance and provide feedback to employees. It is worth pointing out that a modest number of respondents have given their votes to other appraisal goals such as determining training and development needs (16% of employees selected this purpose); pay and benefits (13% acknowledged this goal) and motivation for superior performance (11% of respondents have recognised this objective). From 113 participants, 10% of respondents selected ‘not sure’.

Figure 5. Purpose of Performance Appraisal according to Respondents
4.4 Organisational Justice Perceptions and Employee Satisfaction with Performance Appraisals

The second objective of this research was to establish the relationship between justice perceptions and employee satisfaction with the performance appraisal systems, examining the four dimensions of organisational justice: procedural, distributive, interpersonal and informational.

It was set out to test the following hypotheses:

**Hypothesis 1:** Perceived procedural justice with performance appraisals will be positively related to employee satisfaction with the system.

**Hypothesis 2:** Perceived distributive justice with performance appraisals will be positively related to employee satisfaction with the system.

**Hypothesis 3:** Perceived interpersonal justice with performance appraisals will be positively related to employee satisfaction with the system.

**Hypothesis 4:** Perceived informational justice with performance appraisals will be positively related to employee satisfaction with the system.

Before testing for correlations the researcher determined if the level of statistical significance was an objective foundation to reject the null hypothesis. The null hypothesis assumes that there is no relationship between the studied variables. All findings on correlations between the groups of independent variables and dependent variable in this research are statistical significant at the 0.01 level. Hence, there is 1 chance in 100 that the results have occurred by chance.

Thus, the researcher rejected the null hypothesis and tested the strengths of relationships between organisational justice dimensions, employee satisfaction with the PA system and motivation to perform better.
4.4.1 Hypothesis 1 (Q6 to Q10)

It was predicted that perceived procedural justice perceptions with performance appraisals will be positively related to employee satisfaction with the system. A total of five questions were used to determine employee satisfaction with the procedures used to arrive at the performance appraisal outcome. These gathered valuable opinions related to the procedure’s accuracy, consistency, bias, right of appeal and ability to express individual views and feelings.

Table 2 summaries employee procedural justice perceptions with regards to performance appraisal. A total mean of 32% of respondents strongly agreed that the procedures used to arrive at their performance appraisal outcome were consistent, that the procedures used to arrive at their performance appraisal outcome were free of bias and were based on accurate information. Similar numbers of appraisees strongly agreed that they had the opportunity to express their views and feelings during appraisal procedures. A mean of 45% of employees agreed on the statements above.

Notably, 44% neither agreed nor disagreed, 12% disagreed and 4% of employees strongly disagreed that they had an opportunity to appeal their appraisal outcome given the procedures used. On average, 13% of employees were neutral, 8% disagreed and 3% of respondents strongly disagreed with the statements of procedural justice A, B, C and D.
Table 2. Procedural Justice Perceptions

<table>
<thead>
<tr>
<th></th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neither agree nor disagree</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Procedural Justice (A)</td>
<td>40%</td>
<td>42%</td>
<td>8%</td>
<td>8%</td>
<td>2%</td>
</tr>
<tr>
<td>Consistent PA procedures</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Procedural Justice (B)</td>
<td>30%</td>
<td>48%</td>
<td>11%</td>
<td>7%</td>
<td>4%</td>
</tr>
<tr>
<td>Free of bias PA procedures</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Procedural Justice (C)</td>
<td>28%</td>
<td>45%</td>
<td>16%</td>
<td>7%</td>
<td>4%</td>
</tr>
<tr>
<td>Opportunity to express views and feeling during PA procedures</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Procedural Justice (D)</td>
<td>28%</td>
<td>43%</td>
<td>18%</td>
<td>8%</td>
<td>3%</td>
</tr>
<tr>
<td>Accurate information used in PA procedures</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Procedural Justice (E)</td>
<td>3%</td>
<td>38%</td>
<td>44%</td>
<td>12%</td>
<td>4%</td>
</tr>
<tr>
<td>Opportunity to appeal the PA given the procedures used</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Descriptive Statistics

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Procedural Justice (A)</td>
<td>113</td>
<td>1</td>
<td>5</td>
<td>1.9</td>
<td>.98</td>
</tr>
<tr>
<td>Procedural Justice (B)</td>
<td></td>
<td></td>
<td></td>
<td>2.0</td>
<td>1.0</td>
</tr>
<tr>
<td>Procedural Justice (C)</td>
<td></td>
<td></td>
<td></td>
<td>2.1</td>
<td>1.0</td>
</tr>
<tr>
<td>Procedural Justice (D)</td>
<td></td>
<td></td>
<td></td>
<td>2.1</td>
<td>1.0</td>
</tr>
<tr>
<td>Procedural Justice (E)</td>
<td></td>
<td></td>
<td></td>
<td>2.7</td>
<td>.82</td>
</tr>
</tbody>
</table>

A Spearman correlation coefficient revealed that there is a strong statistically significant positive correlation between the group of variables A, B, C, D, E and satisfaction with the PA system, rho=.86" (A); rho=.96" (B); rho=.95" (C), rho=.95" (D); rho=.69" (E); n=113, p<0.01, with high perceived procedural justice associated with high satisfaction with the PA system (as illustrated in Figure 6 and Table 3).
Figure 6. Correlation between perceived Procedural Justice and Employee Satisfaction with Performance Appraisals
Table 3. Correlation between perceived Procedural Justice and Employee Satisfaction with Performance Appraisals

<table>
<thead>
<tr>
<th>Spearman's rho</th>
<th>Overall, I am satisfied with the Performance Appraisal system conducted in the organisation.</th>
</tr>
</thead>
<tbody>
<tr>
<td>N 113</td>
<td>Correlation Coefficient</td>
</tr>
<tr>
<td>The procedures used to arrive at my Performance Appraisal outcome were consistent (A).</td>
<td>.86**</td>
</tr>
<tr>
<td>The procedures used to arrive at my Performance Appraisal outcome were free of bias (B).</td>
<td>.96**</td>
</tr>
<tr>
<td>The procedures used gave me the opportunity to express my views and feelings during my Performance Appraisal (C).</td>
<td>.95**</td>
</tr>
<tr>
<td>The procedures used to arrive at my Performance Appraisal outcome were based on accurate information (D).</td>
<td>.95**</td>
</tr>
<tr>
<td>I had the opportunity to appeal my Performance Appraisal outcome given the procedures used (E).</td>
<td>.69**</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed), **p<0.01

4.4.2 Hypothesis 2 (Q11 to Q13)

It was predicted that perceived distributive justice perceptions with performance appraisals will be positively related to employee satisfaction with the system. To determine the above relationship, the author had examined levels of satisfaction with the distribution of PA outcomes in accordance to respondents’ contributions, how accurate and appropriate are these in relation to work performed, weather the appraisal outcome was justified given employee performance.

As outlined in Table 4, employee distributive justice perceptions with regards to performance appraisal is mainly positive. Over a half of respondents (51%) agreed that the PA outcome accurately reflected their work effort and was appropriate for the work completed, with a total of 13% of employees strongly agreeing to the same statement. Quite similar results were encountered for
distributive justice (C). 22% of respondents strongly agreed and 50% agreed that the appraisal outcome was justified given their performance.

On average, 15% of employees neither agreed nor disagreed, 13% disagreed and 5% of respondents strongly disagreed with the statements of distributive justice A, B and C.

**Table 4. Distributive Justice Perceptions**

<table>
<thead>
<tr>
<th></th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neither agree nor disagree</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Distributive Justice (A)</strong></td>
<td>13%</td>
<td>51%</td>
<td>15%</td>
<td>15%</td>
<td>6%</td>
</tr>
<tr>
<td>PA outcome accurately reflected the work effort</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Distributive Justice (B)</strong></td>
<td>13%</td>
<td>51%</td>
<td>15%</td>
<td>16%</td>
<td>5%</td>
</tr>
<tr>
<td>PA outcome was appropriate for the work completed</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Distributive Justice (C)</strong></td>
<td>22%</td>
<td>50%</td>
<td>16%</td>
<td>8%</td>
<td>4%</td>
</tr>
<tr>
<td>PA outcome was justified given the performance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Descriptive Statistics**

|                                |    |       |        |       |       |
|                                | N  | Minimum | Maximum | Mean  | Std. Deviation |
| **Distributive Justice (A)**  | 113|         |         | 2.5   | 1.0     |
| **Distributive Justice (B)**  |    |         |         | 2.5   | 1.0     |
| **Distributive Justice (C)**  |    |         |         | 2.2   | .99     |

From **Figure 7** and **Table 5** it can be observed that there is a strong positive correlation between the group of variables, which measured distributive justice perceptions, and satisfaction with the PA system, rho=.78” (A); rho=.77” (B); rho=.86” (C), n=113, p<0.01, with high perceived distributive justice associated with high satisfaction with the PA system.
Figure 7. Correlation between perceived Distributive Justice and Employee Satisfaction with Performance Appraisals
Table 5. Correlation between perceived Distributive Justice and Employee Satisfaction with Performance Appraisals

<table>
<thead>
<tr>
<th>Spearman's rho</th>
<th>Overall, I am satisfied with the Performance Appraisal system conducted in the organisation.</th>
<th>Correlation Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>My Performance Appraisal outcome accurately reflects the effort I have put into my work (A).</td>
<td>.78**</td>
</tr>
<tr>
<td></td>
<td>My Performance Appraisal outcome was appropriate for the work I have completed (B).</td>
<td>.77**</td>
</tr>
<tr>
<td></td>
<td>My Performance Appraisal outcome was justified given my performance (C).</td>
<td>.86**</td>
</tr>
</tbody>
</table>

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

4.4.3 Hypothesis 3 (Q14 to Q17)

The researcher predicted that perceived interpersonal justice perceptions with performance appraisals will be positively related to employee satisfaction with the system. The author used a number of questions to establish employee satisfaction with interpersonal treatment during performance appraisal which concerned truthfulness (manager qualities of being fair, open and honest), respect (being respectful), politeness and propriety (refraining from criticism or inappropriate remarks or statements) and ability to provide constructive feedback during the performance appraisal.

As illustrated in Table 6, interpersonal justice has received the greatest number of ‘strongly agree’ answers. 39% of respondents have selected that option when asked whether the manager was honest and fair during appraisal and whether he/she gave them constructive feedback.

Exceptionally, 49% of employees strongly agreed that their manager treated them with dignity and respect with 34% having similar view with regards to interpersonal justice (C) – ‘My Manager treated me in a polite manner and has refrained from improper remarks and comments’. Significantly, an average of
39% of employees have agreed to the above statements. Yet, on average, 12% of employees responded neutral, 5% disagreed and 3% strongly disagreed.

**Table 6. Interpersonal Justice Perceptions**

<table>
<thead>
<tr>
<th></th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neither agree nor disagree</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Interpersonal Justice (A)</strong></td>
<td>39%</td>
<td>36%</td>
<td>14%</td>
<td>7%</td>
<td>4%</td>
</tr>
<tr>
<td>My Manager was honest and fair in my PA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Interpersonal Justice (B)</strong></td>
<td>39%</td>
<td>39%</td>
<td>13%</td>
<td>6%</td>
<td>3%</td>
</tr>
<tr>
<td>My Manager gave me constructive feedback during PA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Interpersonal Justice (C)</strong></td>
<td>49%</td>
<td>37%</td>
<td>8%</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>My Manager treated me with dignity and respect</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Interpersonal Justice (D)</strong></td>
<td>34%</td>
<td>45%</td>
<td>12%</td>
<td>6%</td>
<td>3%</td>
</tr>
<tr>
<td>My Manager treated me in a polite manner and has refrained from improper remarks and comments.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Descriptive Statistics**

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Interpersonal Justice (A)</strong></td>
<td>113</td>
<td>1</td>
<td>5</td>
<td>2.0</td>
<td>1.0</td>
</tr>
<tr>
<td><strong>Interpersonal Justice (B)</strong></td>
<td>113</td>
<td>1</td>
<td>5</td>
<td>1.9</td>
<td>1.0</td>
</tr>
<tr>
<td><strong>Interpersonal Justice (C)</strong></td>
<td>113</td>
<td>1</td>
<td>5</td>
<td>1.7</td>
<td>.94</td>
</tr>
<tr>
<td><strong>Interpersonal Justice (D)</strong></td>
<td>113</td>
<td>1</td>
<td>5</td>
<td>1.9</td>
<td>.98</td>
</tr>
</tbody>
</table>

**Figure 8** and **Table 7** show a strong positive correlation between the group of variables, which measured interpersonal justice perceptions, and satisfaction with the PA system, rho=.88 (A); rho=.87 (B); rho=.78 (C); rho=.89 (D); n=113, p<0.01, with high perceived interpersonal justice related with high satisfaction with the PA system.
Figure 8. Correlation between perceived Interpersonal Justice and Employee Satisfaction with Performance Appraisals
Table 7. Correlation between perceived Interpersonal Justice and Employee Satisfaction with Performance Appraisals

<table>
<thead>
<tr>
<th>Spearman's rho</th>
<th>N</th>
<th>Correlation Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>My Manager was honest and fair in my Performance Appraisal (A).</td>
<td>113</td>
<td>.88**</td>
</tr>
<tr>
<td>My Manager gave me constructive feedback during my last Performance Appraisal (B).</td>
<td>113</td>
<td>.87**</td>
</tr>
<tr>
<td>During my last Performance Appraisal, my Manager treated me with dignity and respect (C).</td>
<td>113</td>
<td>.78**</td>
</tr>
<tr>
<td>During my last Performance Appraisal my Manager treated me in a polite manner and has refrained from improper remarks and comments (D).</td>
<td>113</td>
<td>.89**</td>
</tr>
</tbody>
</table>

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

4.4.4 Hypothesis 4 (Q18 to Q21)
It was predicted that perceived informational justice perceptions with performance appraisals will be positively related to employee satisfaction with the system. Informational justice perceptions related to employee satisfaction with communication and explanation of procedures during performance appraisal which involved reasonable justification (explanation the basis for decisions and outcome) timely, open and trustworthy communication with the manager during PA system. Despite mainly positive informational justice feedback, it could be seen in Table 8 that a number of respondents neither agreed nor disagreed that their manager explained the procedures thoroughly, communicated details in a timely manner and were reasonable in the explanation of PA procedures (13%), while 14% of employees had the same opinion with regards to communication with the manager being open and trustworthy.

Overall, I am satisfied with the Performance Appraisal system conducted in the organisation.
Table 8. Informational Justice Perceptions

<table>
<thead>
<tr>
<th></th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neither agree nor disagree</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Informational Justice (A)</strong></td>
<td>34%</td>
<td>43%</td>
<td>13%</td>
<td>7%</td>
<td>3%</td>
</tr>
<tr>
<td>My Manager explained the procedures thoroughly</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| **Informational Justice (B)** | 34%            | 43%   | 13%                        | 7%       | 3%                |
| My Manager communicated details in a timely manner |

| **Informational Justice (C)** | 26%            | 51%   | 13%                        | 7%       | 3%                |
| The explanations regarding the PA procedures were reasonable |

| **Informational Justice (D)** | 26%            | 50%   | 14%                        | 8%       | 2%                |
| During my PA I found communication with my Manager open and trustworthy |

Descriptive Statistics

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Informational Justice (A)</td>
<td>113</td>
<td>1</td>
<td>5</td>
<td>2.0</td>
<td>1.0</td>
</tr>
<tr>
<td>Informational Justice (B)</td>
<td>2.0</td>
<td>1.0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Informational Justice (C)</td>
<td>2.1</td>
<td>.95</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Informational Justice (D)</td>
<td>2.1</td>
<td>.97</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

As demonstrated in Figure 9 and Table 9 there is a strong positive correlation between the group of variables, which measured informational justice perceptions, and satisfaction with the PA system, \( \rho=.92^* \) (A); \( \rho=.92^* \) (B); \( \rho=.88^* \) (C); \( \rho=.89^* \) (D); \( n=113, p<0.01 \), with high perceived informational justice linked to higher levels of satisfaction with the PA system.
Figure 9. Correlation between perceived Informational Justice and Employee Satisfaction with Performance Appraisals
4.5 Employee Satisfaction with Performance Appraisals and Motivation to Improve Performance

4.5.1 Hypothesis 5 (Q22-Q25)

The current research aimed to explore the relationship between perceived performance appraisal satisfaction and motivation to improve work-related performance. The author set out to test the following hypothesis: Employee satisfaction with performance appraisals will be positively related to motivation to improve performance.

Figure 10 shows that 30% of employees strongly agreed and 42% agreed with the statement of being overall satisfied with the PA system carried out in the organisation. When asked whether the appraisals conducted increases employee motivation to improve performance, 29% strongly agreed, 35% agreed, 22% neither agreed nor disagreed, 10% disagreed and 4% strongly disagreed. The mean score for employee satisfaction was 2.1 (Std. Deviation =1.0).

Table 9. Correlation between perceived Informational Justice and Employee Satisfaction with Performance Appraisals

<table>
<thead>
<tr>
<th>Spearman's rho</th>
<th>Overall, I am satisfied with the Performance Appraisal system conducted in the organisation.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Correlation Coefficient</td>
</tr>
<tr>
<td>Submitted</td>
<td>113</td>
</tr>
<tr>
<td>During my last Performance Appraisal, my Manager explained the procedures thoroughly (A).</td>
<td>.92**</td>
</tr>
<tr>
<td>During my last Performance Appraisal, my Manager communicated details in a timely manner (B).</td>
<td>.92**</td>
</tr>
<tr>
<td>The explanations regarding the Performance Appraisal procedures were reasonable (C).</td>
<td>.88**</td>
</tr>
<tr>
<td>During my Performance Appraisal I found communication with my Manager open and trustworthy (D).</td>
<td>.89**</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed). **p<0.01
Figure 10. Employee Satisfaction with PA in the Organisation and Motivation to Improve Performance

Overall, I am satisfied with the Performance Appraisal system conducted in the organisation.
- **Strongly Agree**: 30%
- **Agree**: 42%
- **Neither agree nor disagree**: 15%
- **Disagree**: 4%
- **Strongly Disagree**: 9%

The current Performance Appraisal encourages me to continually improve the way work is carried out.
- **Strongly Agree**: 26%
- **Agree**: 45%
- **Neither agree nor disagree**: 6%
- **Disagree**: 4%
- **Strongly Disagree**: 19%

My job performance has improved following my last Performance Appraisal.
- **Strongly Agree**: 29%
- **Agree**: 44%
- **Neither agree nor disagree**: 15%
- **Disagree**: 9%
- **Strongly Disagree**: 3%
Table 10. Motivation to Improve Performance

<table>
<thead>
<tr>
<th>Motivation (A)</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neither agree nor disagree</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>The current PA encourages me to continually improve the way work is carried out</td>
<td>26%</td>
<td>45%</td>
<td>19%</td>
<td>6%</td>
<td>4%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Motivation (B)</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neither agree nor disagree</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>My job performance has improved following my last PA</td>
<td>29%</td>
<td>44%</td>
<td>15%</td>
<td>9%</td>
<td>3%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Motivation (C)</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neither agree nor disagree</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>PA conducted in the organisation increases employee motivation to improve performance.</td>
<td>29%</td>
<td>35%</td>
<td>22%</td>
<td>10%</td>
<td>4%</td>
</tr>
</tbody>
</table>

Descriptive Statistics

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motivation (A)</td>
<td>113</td>
<td>1</td>
<td>5</td>
<td>2.1</td>
<td>0.99</td>
</tr>
<tr>
<td>Motivation (B)</td>
<td>2.1</td>
<td>1.0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Motivation (C)</td>
<td>2.2</td>
<td>1.0</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
A strong positive correlation between satisfaction with the PA system and motivation to improve performance was established. **Figure 11** and **Table 11** show that $\rho=.93^\ast$ (A); $\rho=.95^\ast$ (B); $\rho=.93^\ast$ (C); $n=113$, $p<0.01$, with high perceived satisfaction with PA system associated with high motivation to improve performance.

**Figure 11. Correlation between Satisfaction with Performance Appraisals and Motivation to Improve Performance.**
4.6 Summary of Findings

Demographic profile of the participants shows that the most common age group for respondents was 25-34 with more than a half of participants working as general team members. Most of employee worked with the organisation between 1-2 years and no major disparity was encountered with regards to gender of participants.

90% of employees had an opinion with regards to the purpose of the appraisal system in the organisation, while 10% of participants were unsure about the reason appraisals are conducted in the company.

In general, findings show a strong positive relationship between the group of independent variables and dependent variables. As predicted, employees perceived procedural, distributive, interpersonal and informational justice are positively related to employee satisfaction with the system. Employee satisfaction with performance appraisals is positively associated with motivation to perform better in their positions.

**Table 11. Correlation between Satisfaction with Performance Appraisals and Motivation to Improve Performance.**

<table>
<thead>
<tr>
<th>Measure</th>
<th>N</th>
<th>Correlation Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall, I am satisfied with the Performance Appraisal system conducted in the organisation.</td>
<td>113</td>
<td></td>
</tr>
<tr>
<td>The current Performance Appraisal encourages me to continually improve the way work is carried out (A).</td>
<td></td>
<td>.93**</td>
</tr>
<tr>
<td>My job performance has improved following my last Performance Appraisal (B).</td>
<td></td>
<td>.95**</td>
</tr>
<tr>
<td>Performance Appraisal conducted in the company increases employee motivation (C).</td>
<td></td>
<td>.93**</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).
**p<0.01
CHAPTER 5 DISCUSSION

The primary objective of this study was to explore employee performance appraisal satisfaction among employees working in Irish hotels and its impact on their motivation to improve performance. The key finding established that performance appraisal satisfaction was positively related to employee motivation to perform better. This finding in not entirely novel as prior studies have reported similar relationships (e.g. Singh and Rana, 2014; Roberson and Stewart, 2006; Kuvaas, 2006).

Accordingly, this study provides additional support to the research and reinforces the opinion that performance appraisal satisfaction may enhance employee motivation to improve performance. This finding also highlights the observation that in order for the performance appraisal to positively influence employee attitudes and behaviour, employees must experience positive appraisal reactions (Nassar and Zaitouni, 2015; Shrivastava and Purang, 2011; Kuvaas, 2006).

5.1 Demographic Profile of Respondents

The main objective of the demographic profile questions in the survey was to determine the characteristics of the respondents that took part in this study. While information collected from demographic data has not been used to answer the research question and test the hypotheses, it gave great insights into the sample profile employed in the current research.

The common age group and tenure among employees sampled pointed to frequently discussed unsocial working hours, low compensation and high work force turnover occurring in the Irish hospitality industry. Although an employee’s length of service can have a significant influence on how they perceive performance appraisals in the organisation (as the appraisals are conducted every year) it was not the objective of this study to examine this correlation.
5.2 The Purpose of Performance Appraisals conducted in the Organisation

Performance Appraisals are used for various reasons as highlighted previously in this study. Question five in the survey aimed to capture employees’ views related to the purpose of the appraisal system conducted within the hotel group. The author intended to establish whether employees recognise and have a clear understanding of the reasons behind performance evaluations.

From 113 employees, 90% acknowledged a performance appraisal purpose in the company. The main finding showed that over a half of employees, 50% identified that the main reason the hotels carry out yearly appraisals is to evaluate job performance and provide feedback to employees.

Given that the organisation uses performance appraisal for both purposes, administrative and developmental, the results of the current study are noteworthy. As the majority of respondents have selected the performance evaluation and feedback as the main purpose, it is worth pointing out that a modest number of respondents have given their votes to other goals such as determining training and development needs, pay and benefits and motivation for superior performance.

As DeNisi and Smith (2014) and Kondrasuk (2012) recommend the main purposes of the appraisal system must be identified and communicated clearly in the organisation. However, the results suggest that a number of purposes of the appraisal system conducted in the three hotels are not as clearly defined and acknowledged as recommended by research. As a result, these purposes did not receive the recognition deserved with relatively poor results encountered throughout.

Academics imply that one of the main purposes of performance appraisal is its use as an instrument to determine rewards and benefits. The process allows management to link personal rewards, such as pay and bonuses, to organisational performance. However, Kondrasuk (2012) indicated that including pay and rewards in the appraisal process can be difficult. Combining performance feedback and evaluation with administrative decisions could cause conflict...
between the developmental goal of the scheme and the financial rewards purpose.

The findings of this study do not suggest a conflict between the two purposes. Despite this and taking into consideration that a relatively small number of employees have acknowledged the administrative purpose of the appraisal system, it can be concluded that employees do not have a comprehensive knowledge of the abovementioned purpose. Likewise, more focus is required to promote and describe the developmental purpose of the appraisal system such as training and development and improvement of working standards and job performance.

Significantly, 10% of employees in the sample lacked knowledge and selected ‘not sure’ when asked about the appraisal purpose in the company. Therefore, this study supports the current research which suggests that the alignment of the organisational objectives to employee performance is not sufficiently understood or needs to be communicated more clearly at an employee level (DeNisi and Smith, 2014; Kondrasuk, 2012; Selvarajan and Cloninger, 2012). This is a challenge that must be addressed by both management and HR in the organisation.

5.3 Organisational Justice Perceptions and Employee Satisfaction with Performance Appraisals

The intention of the researcher was to explore performance appraisal elements that are related to organisational justice. As Jawahar (2007) suggests, the success of appraisal systems could depend on perceived appraisee’s perceptions of fairness and reactions to key aspects of the appraisal process.

To determine the influence of justice perceptions on employee satisfaction with performance appraisal systems the researcher had examined four independent organisational justice constructs, specifically procedural, distributive, interpersonal and informational. It was predicted that perceived justice related to four organisational dimensions will be positively related to employee satisfaction with performance appraisal systems.
Overall, the results from this study indicated that there was a significant positive relationship between the four organisational justice perceptions and employee satisfaction with performance appraisals. This is consistent with the findings of Narcissea and Harcourt (2008) who reported that distributive, procedural, and interactional justice factors influence employee perceptions of fairness in the appraisal system.

Likewise, with Palaiologos et al. (2011) results, which revealed significant relationships between the three kinds of justice and the three types of satisfaction. In their study, employee satisfaction with ratings and appraisers were positively related to both distributive and procedural justice. A positive correlation was established between the procedural and distributive justice and satisfaction. Finally, a significant relationship was found between interactional justice and satisfaction with the appraiser.

Furthermore, this study supports the findings of Selvarajan and Cloninger (2012) who supported that perceived fairness in terms of interactional (interpersonal and informational) and procedural justice was positively associated with employee appraisal satisfaction and motivation to improve performance. Notably, their research has not established a correlation between distributive justice and employee appraisal satisfaction, which is inconsistent with the results of this study.

The first objective of this research aimed to examine the relationship between perceived procedural justice and employee appraisal satisfaction. The author aimed to examine appraisees’s experiences of procedures used during the appraisal process and explore the effect of these experiences on employee satisfaction with the system.

**Hypothesis 1** predicted that perceived procedural justice will be positively related to employee satisfaction with the system. Importantly, the correlation between the five item procedural justice and employee satisfaction with the appraisal system has produced coefficients that ranged from .69 to .96 illustrating a strong relationship between the five item procedural justice and appraisal satisfaction, therefore supporting the first hypothesis of this research.
Evidently, evaluation procedures which are based on accurate information and are applied in a fair, free of bias and consistent manner are likely to be perceived as just. Appraisal processes should offer employees the opportunity to express views and feelings during system procedures as well as the opportunity to appeal the appraisal outcome following the process, all of which must be fully established and widely communicated.

However, most notably, a high percentage of respondents, 44% neither agreed nor disagreed, that they had an opportunity to appeal their appraisal outcome given the procedures used. A total of 12% disagreed and 4% of employees strongly disagreed on the appraisal outcome appeal opportunity.

On average, 13% of employees were neutral, 8% disagreed and 3% of respondents strongly disagreed with the statements of procedural justice A, B, C and D, indicating that perhaps, general team members and managers are undecided or unsure about the quality of procedures used in performance evaluations. Out of the five measures of procedural justice, the opportunity for appeal has received the most negative results.

Findings for procedural justice have a number of implications. Despite the overall positive procedural justice perceptions, hotels must increase perceptions of fairness in performance appraisal procedures. The reason being the high undecided and negative number of responses especially related to the appraisal appeal procedure.

The opportunity to seek an appeal refers to the employee voice that could challenge the appraisal procedures used to arrive at decisions. It is an opportunity for the appraisee to put forth their views, express feelings and contest the rating decision. The results of this research illustrate that the organisation does not have a strong appeal system, whereby appraisees could challenge appraisal decisions and outcomes. The ability to appeal unfair, inaccurate, or biased appraisal procedures is a key factor to guarantee perceptions of procedural fairness in the system. This is consistent with the findings of Shrivastava and Purang (2011) who described weak appraisal appeal systems in Indian public banks.
The next objective of this research was to determine the relationship between distributive justice and employee appraisal satisfaction. The author aimed to examine appraisees’s experiences related to distribution of outcomes following an appraisal and analyse the effect of these experiences on employee appraisal satisfaction.

**Hypothesis 2** predicted that perceived distributive justice will be positively related to employee satisfaction with the system. The relationship between the three item distributive justice and employee appraisal satisfaction has indicated correlation results that ranged from .77 to .86 showing a significant association between studied elements. Consequently, it can be concluded that the second hypothesis of the study is also supported.

These results are consistent with the findings of Narcissea and Harcourt (2008) who indicated that employees perceive their appraisal fair and satisfactory once their actual performance corresponds with the appraisal rating and subsequent outcomes such as pay and promotion are compatible with the appraisal rating.

Most of the employees agreed that their appraisal outcome accurately reflected the effort they have put into their work and was appropriate for the work they have completed. Half of the respondents thought their appraisal outcome was justified given their performance. However, it is worth mentioning that all items measuring distributive justice have also collected neutral and negative responses which has various implications for the appraisal system conducted in the organisation.

Clearly, appraisal outcomes and rewards that reflect effort, are in accordance with employee performance and are justified, have the prospective of being perceived as fair. Taking into account that the appraisal system in the hotels is linked to both pay rewards and development, the above results may have serious effects on the perceived satisfaction with the system. Consideration should be given to the fact that appraisees compare their own appraisal outcomes with others and decide on the fairness of the distribution of financial rewards (Suliman, 2007).

There is also a possibility that team members who did not receive a pay increase following the appraisal disagreed or strongly disagreed with items that measure
procedural justice in organisation. However, as no link between the above correlations was established, the author assumes no association between the aforementioned factors.

Greenberg (1990) stated that employees will accept a certain amount of injustice in distribution of outcomes providing the procedures used to arrive at their outcomes are fair and accurate. Once more, management in the organisation must ensure that appraisal procedures are developed and carried out to the highest standards to secure overall employee satisfaction with the appraisal system.

**Hypothesis 3** and **4** predicted that perceived interpersonal and informational justice will be positively related to employee satisfaction with the system. The author aimed to determine employee experiences in interactions with their managers during the appraisal process and examine the influence these interactions have on employee appraisal satisfaction. Findings have revealed a significant correlation between four item interpersonal justice and appraisal satisfaction with correlation figures ranging between .78 and .89. Additionally, a strong relationship was found between four item informational justice and appraisal satisfaction, with correlation figures ranging between .88 and .92. Therefore, it can be reported that third and fourth hypotheses in this research are also supported.

These results are consistent with the findings of Nassar and Zaitouni (2015) who examined the relationships between perceptions of organisational justice, perceived competence of supervisor and perceived supervisory support in hotel employees in Egypt. The results indicated a strong positive relationship between the variables; employees who perceived their appraisers/managers to be supportive, fair and just during evaluations also were satisfied with the appraisal process.

The degree of employee satisfaction with the PA system and the positive acceptance of the process is greatly influenced by how they perceive their appraiser/manager. Appraisees are more satisfied with the system when they perceive their appraiser to be supportive, trustworthy, fair and open. Likewise, when they are given a fair, constructive and an accurate feedback, and perceive
their manager to be competent in carrying out an effective appraisal (Byrne et al., 2012; Colquitt et al., 2001).

The findings show that most of the appraisers/managers in the organisation are perceived to be trustworthy, open and honest by their employees during appraisals. A total mean of 40% of employees strongly agreed that their manager was honest and fair during their appraisal, gave them constructive feedback during PA, treated them with dignity and respect, communicated with them in a polite manner and refrained from improper remarks and comments.

A total mean of 30% of respondents strongly agreed that their manager explained the procedures thoroughly, communicated details in a timely manner, strongly agreed that explanations regarding the PA procedures were reasonable and communication with their manager open and trustworthy.

Nevertheless, all items measuring interpersonal and informational justice have also gathered neutral and negative responses highlighting the important role of the appraiser/manager in the appraisal system. Therefore, organisations should educate managers on how to carry out their roles in an interactional fair manner.

As Jawahar (2007) reported, managers are likely to considerably affect perceptions of distributive justice during performance appraisals. Therefore, hotels will benefit from training managers on how to centre the feedback and appraisals accurately in relation to employees’ contributions. Training will also direct managers on explaining the rationale for the outcome and ratings honestly and clearly, and on delivering of decisions in an interpersonally sensitive way.

Without doubt, the quality of the appraisee - appraiser relationship sets a context where the employee can exercise their voice in the appraisal session. This expression of voice subsequently influences employee’s post appraisal justice judgments. Finally, the quality of procedures used during appraisal sessions, the fairness and rationale provided in distribution of outcomes and perceived appraisee – appraiser interactional justice has important effects in shaping overall employee satisfaction with the appraisal systems.
5.4 Employee Satisfaction with Performance Appraisals and Motivation to Improve Performance

The primary focus of this study was to explore the relationship between perceived performance appraisals satisfaction and motivation to improve performance among hotel employees.

Hypothesis 5 predicted that employee satisfaction with performance appraisals will be positively related with motivation to improve performance. The researcher intended to explore overall employee satisfaction with appraisal systems and establish a possible link with appraisees’ motivation to perform better in their roles. The previous chapter illustrated a significant correlation between performance appraisal satisfaction and motivation, with correlations ranging between .93 and .95. As a result, it can be confirmed that the fifth hypothesis of the study is supported.

The findings of this study show that a total of 72% of employees are overall satisfied with the PA system carried out in the organisation. When asked whether the current appraisal encourages them to continually improve the way work is carried out, 26 % strongly agreed and 45% agreed. A total of 73 % of respondents believed that their job performance has improved following their last appraisal and that the appraisal increases their motivation to perform better.

The main finding of this research is consistent with the results of Kuvaas (2006) who surveyed 593 employees from 64 Norwegian savings banks and reported a significant relationship between performance appraisal satisfaction and work performance, which was both mediated and moderated by employees’ intrinsic work motivation.

Likewise, with the findings of Kim and Rubianty (2011). Although modest effects were detected, the results showed that positive employee procedural, distributive and interactional justice perceptions were moderately associated with intrinsic motivation. In addition, Iqbal et al. (2013) indicated that a significant relationship exists between performance appraisal and employee’s work performance with motivation acting as a moderator.
In contrast, Oh and Lewis (2009) stated that only 18% of the federal workforce in their study have agreed that the appraisal system motivates them to do a better job, while 30% of all respondents strongly disagreed. In this study, a relatively high percentage of employees were neutral or negative in regards to the overall appraisal satisfaction and motivation to enhance work-related behaviour.

These results raise the question of the role of appraisal systems as a motivational tool to enhance employee performance. Research suggests that a fair and effective performance appraisal can strongly influence employee justice perceptions and satisfaction with the system. Satisfaction with appraisals, in turn, acts as a motivator for employees to strive for continued performance improvement.

Even though many academics consistently question performance appraisal effectiveness, it will still remain a vital component of the HR function in organisations. Therefore, HR and managers are constantly challenged to implement and carry out successful appraisal systems where employees receive constructive feedback that accurately measures performance and is just in the distribution of outcomes. The accurate and fair administration and implementation of appraisal systems will have a positive impact on employees’ justice and satisfaction perceptions.

Consequently, perceived satisfaction will increase employee motivation to improve work performance. As the performance appraisal provides an essential learning opportunity for the employee to grow and develop professionally, it can undoubtedly influence his/her motivation and work performance in a positive way.
CHAPTER 6 CONCLUSION

The current challenges of employee sourcing and retention within the Irish hotel industry has put one of the most significant HR functions to the forefront, that of performance appraisal and employee development. This study focused on satisfaction with the performance appraisal system and its influence on motivation to improve performance among employees working in three hotels, which are part of the same hotel group.

The research centred on the four key constructs that form organisational justice; procedural, distributive, interpersonal and informational, with the objective of establishing the overall employee satisfaction with the appraisal system conducted in the three hotels.

The research was undertaken using a quantitative method in the form of a survey which was sent to all employees who participated in the hotels appraisal process in the last year. Generally, motivation has been strongly connected with employee satisfaction with the performance appraisal system in which organisational justice perceptions shape the fairness reactions and attitudes towards the process.

Overall, employees were satisfied with the appraisal system in the hotels, even though some respondents were neutral, some strongly disagreed, while others disagreed. As predicted, employees perceived procedural, distributive, interpersonal and informational justice positively relates to employee satisfaction with the system, which in turn, enhances their work motivation to perform better.

Following the organisational justice views described in the literature review, the study illustrated the importance of trustworthy and open relationships between the appraisee and the appraiser/manager to ensure appraisal satisfaction and make the most of employees’ motivation.

The results showed that each stage in the appraisal process is of crucial importance in the motivation of an employee to improve performance. The approach and manner taken by the appraiser can either support or impede the employees to achieve results. Likewise, feedback should be provided accurately
and constructively, but in a respectful and thoughtful way to encourage appraisees to perform better.

While the appraisee-appraiser relationship is important, the fairness, reliability and accuracy of procedures, as well as the distribution and justification of the outcome are also significant elements of the appraisal process. Omitting these elements will create a perception of dissatisfaction with the performance appraisal system. Thus, considering procedural and distributive constructs during appraisal are as important as the interpersonal and informational aspects.

This study and its findings are useful for HR practitioners and hospitality managers as a number of recommendations are suggested to assist them with generating strategies to effectively develop and manage their team members via successful design and implementation of the performance appraisal system.

Taking into consideration the problematic nature and difficulties associated with performance appraisals, the researcher proposes the following recommendations:

1. **Understand and acknowledge the specific context of the organisation.** As Chan and Jepsen (2011) describe, many organisations engage in benchmarking their own procedures and systems with companies of the same industry. However, to be efficient, policies and practices must be tailored to the context and the specific needs of the organisation. Specifically, the performance appraisal system in hotels should take into consideration their own organisational strategy and developmental programmes.

2. **Design clear and achievable performance standards.** Employees should have a clear understanding of the working standards required in the organisation. Performance ratings should have an equitable basis that can be measured against similar jobs and responsibilities.

3. **Define goals and propose performance standards in cooperation with employees.** Appraisees should take part in and be involved in the design of work standards, their own responsibilities and developmental plans (Kuvaas, 2006).
4. **Conduct a fair and accurate performance appraisal.** Managers should carry out just and effective appraisals, give fair results and constructive feedback. Team members will be motivated to perform better and support the organisation were the appraisal procedures are free of bias, accurate and consistent. Distribution of outcomes, such as rewards, should reflect and justify employee contributions and work effort. As the information gathered influences decisions regarding employees’ development and pay, collection of appraisal data needs to be constantly reviewed to fairly compensate employees.

5. **Ensure appraisers/managers are honest, fair and respectful.** Employees satisfaction with the appraisal systems and their motivation will decrease if managers treat appraisees with little dignity and respect by providing limited information about the appraisal procedures and outcomes. Likewise, managers should treat employees in a polite manner and refrain from improper remarks or comments.

6. **Implement an efficient appraisal appeal procedure.** Employees should have the opportunity to challenge and appeal appraisal decisions and outcomes. It is essential for employees to be able to express a voice at all stages of the appraisal process.

7. **Encourage open and trustworthy communication during appraisals.** Performance appraisal interviews can be stressful for employees especially when the appraisee does not reach the hoped outcome in terms of performance. Therefore, managers should consider how to conduct the review so it is less stressful and more effective for both the employee and the organisation. Communication and explanations should be conducted in a sincere way, combined with caring and empathetic managers (interpersonal and informational fairness). Interactional justice emphasises the importance of the appraisers’ training in interpersonal skills and ethics to carry out appraisal meetings successfully.

8. **Set achievable objectives and review the employee progress periodically.** Perhaps proposing objectives and then reviewing them after a year is insufficient. Therefore, to motivate employees, hotels should check their objectives frequently, discuss performance, highlight
shortages and give support and advise on how to best perform on a regular basis.

9. **Promote career oriented appraisal systems.** Performance reviews should be more career-oriented in order to enhance the motivation of employees within the hotel industry. Managers in hotels should focus their reviews on developing the employee by endowing them with new skills. The appraisal should give the employee an occasion to express themselves in terms of their career plans and such communication should come from both participants. The employee has the control over his/her own future within the organisation and his/her progression in the workplace will make him/her motivated.

10. **Frequently review the implemented appraisal system.** Writing about appraisal system efficiency Brown and Heywood (2005, p. 674) have claimed that “two-thirds of appraisal schemes are abandoned or altered within two years of their creation”. Hence, appraisal systems have to be constantly updated, improved and altered, as the technology, attitudes and indeed society are continuously progressing.

In the practical implementation of the above recommendations, a strong emphasis and priority should be placed on the training of all managers and supervisors involved in performance appraisals in the hotels. Training is required to be attended by those who are currently conducting the evaluations and those who would potentially carry them out.

The training program must be delivered by a HR specialist, whose training and focus is in the performance appraisal field. The training program should be centred on the following aspects with appraisers acquiring the necessary skills to deliver the performance appraisals successfully:

1. Communicating the purpose of performance appraisals in the organisation.
2. Providing clear and constructive feedback to employees.
3. Applying appraisal policies fairly and consistently to all employees, and rewarding them based on performance and contribution without personal bias.
4. Improving communication and approachability between the appraisee and the appraiser prior, during and following performance appraisals.
5. Handling objectivity, psychological concerns and legal aspects in the performance appraisal processes.
6. Developing effective listening skills during both appraisal meetings and appraisal appeal hearings.
7. Monitoring evaluative criteria and making better decisions about the performance appraisal outcomes and procedures.
8. Conducting an appraisal feedback session.

Furthermore, new employees should also be trained on the appraisal systems and this should be included in induction training programs. Current employees could benefit from refresher training that could be conducted on an annual basis and focus on changes and appraisal new improvements.

Aside from training, hotels should develop an effective appraisal feedback system through which employees communicate their appraisal experiences and expectations. This will help identify the reasons for any unfair and inaccurate appraisals and help find effective solutions for improvements. This can be achieved using surveys, meetings, suggestions boxes or open-door policies with no costing involved.

Lastly, organisational values and culture should also be considered when generating and operating the appraisal system. As the employees reflect the culture and values within the organisation, team leaders and managers should engage and make employees part of its success. A successful and consistent performance appraisal will connect individual employees’ performance goals and overall organisational business objectives. As a result, the team member will be working for the goodwill of the organisation.

Once established, the recommended activities will lead to substantial pay-offs in employee job satisfaction, motivation, organisational commitment and turnover intention. The financial costs of designing and implementing a successful performance appraisal system are minimal when compared to the financial impact on an organisation and the costs associated with turnover, recruiting and training of new employees.
Given that the hotels currently have an appraisal system in situ, the improvements and modifications currently needed to bring the system in line with the recommendations are minor, approximately 200 euros per month. Such changes would be absorbed by the current HR structure, with most of the emphasis been taken up by the training managers role. When the new appraisal system is rolled out, it would mean that the training manager would have an additional element to his/her training programme which they are already responsible for administering.

Indisputably, the performance appraisal system is beneficial to all employees in organisations especially in the hospitality industry. Team members have equal opportunities to progress their career and move forward within the hotel hierarchy. Employee performance is a valuable asset to the organisation and most importantly to the customer who has high expectations of both service quality and experience.

The standard of the performance appraisal system in the hotel industry plays a significant role in customer satisfaction. By developing the standard of the appraisals, team members will provide an improved service to those key people - the customers. Therefore, organisations and HR practitioners should reflect upon these recommendations as well as take into consideration employees opinions, performance ideas and developmental needs.

The researcher acknowledges a number of limitations of the study. The research was cross-sectional and therefore the results do not imply causality. Undertaking mixed methods may have revealed a more comprehensive understanding about the phenomena. Likewise, carrying out a longitudinal study would have provided the possibility to explore the change in relationships over time (Saunders et al., 2012).

The small sample size raises concern about sample bias. Several factors may bias participant’s responses such as the subjective nature of performance appraisals, self-reported questionnaires and the fact that the researcher is an actual employee in the organisation. These biases could have affected the generalisability of the research. As the study was limited in its scope and in
sample chosen, the findings cannot be generalised across all organisations even within the same industry.

Due to limitations such as time constraints and access levels, the researcher was unable to expand the scope of the research sample and conduct a more comprehensive study. However, future researchers can increase the general application of the current study by replicating these results in using other samples and methods. Future research could examine the appraisal process and its effectiveness across a larger industry and involve more than one hotel group.

A recommendation for future research would be to apply a more in depth method such as an interview to explore the effectiveness and satisfaction with appraisal policies among both employees and managers. Length of service, level of education and cultural diversity may also influence perceptions of organisational justice and satisfaction with appraisal systems. Hence, considering these factors may give greater insights into the investigated subject.

Additionally, examining satisfaction with the appraisal system and its impact on motivation to perform better among high performing team members may reveal significant differences compared to other employee segments. Future research should also examine the effects of organisational justice perceptions and appraisal satisfaction on other organisational outcomes such as job satisfaction, organisational commitment and turnover intention.

Lastly, future researchers should consider an experimental or longitudinal approach and a more specific setting for the study to generate findings that allow reaching more concrete conclusions.

Hospitality HR professionals and managers are recommended to reflect and consider all four constructs of organisational justice when formulating and applying policies with regards to appraisals, focusing on the way the appraisal is carried out and ensure best practice is significant. Appraisal justice perceptions directly affect employee satisfaction with the system and their trust and commitment to the employer. Consequently, relationships, motivation and job satisfaction are improved.
REFERENCE LIST


APPENDICES

APPENDIX 1. Email Invitation

Dear…,

As part of my Masters studies I am undertaking a Dissertation with the following title:

**Conducting Performance Appraisals in the Irish Hotel Sector: A study exploring Employee Performance Appraisal Satisfaction and its impact on the motivation to improve performance.**

The study aims to investigate the relationship between the satisfaction with performance appraisal and employee motivation to improve their performance and will include a survey that will explore the above practice conducted in the organisation.

I would like your help and greatly appreciate if you could take part in this survey. The feedback provided will be treated with confidence and the identity of all participants will remain anonymous.

The questionnaire is completely voluntary and will take 15 minutes to complete.

Click on the link below to start the survey:

[https://www.surveymonkey.com/](https://www.surveymonkey.com/)

Kind Regards,

Mariana Florea
THANK YOU FOR TAKING THE TIME TO COMPLETE THIS QUESTIONNAIRE

1. Your age range:

- 18-24
- 25-34
- 35-44
- 45-54
- 55-65
- Over 65

2. Gender:

- Female
- Male

3. How long have you been working with the company?

- 1-2 years
- 3-4 years
- 5-6 years
- 7-8 years
- 9-10 years
- 10+ years

4. Are you a member of?

- Management Team
- Supervisor Team
- General Team Member
5. In my opinion the purpose of Performance Appraisal conducted in the organisation is:

- To evaluate job performance and provide feedback to employees
- To determine Training and Development needs
- To support decisions on pay increases and rewards
- To encourage performance improvement and develop working
- Not sure

PLEASE INDICATE THE EXTENT TO WHICH YOU AGREE WITH THE FOLLOWING STATEMENTS:

6. The procedures used to arrive at my Performance Appraisal outcome were consistent.

- Strongly Agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly Disagree

7. The procedures used to arrive at my Performance Appraisal outcome were free of bias.

- Strongly Agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly Disagree
8. The procedures used gave me the opportunity to express my views and feelings during my Performance Appraisal.

9. The procedures used to arrive at my Performance Appraisal outcome were based on accurate information.

10. I had the opportunity to appeal my Performance Appraisal outcome given the procedures used.
11. My Performance Appraisal outcome accurately reflects the effort I have put into my work.

12. My Performance Appraisal outcome was appropriate for the work I have completed.

13. My Performance Appraisal outcome was justified given my performance.
14. My Manager was honest and fair in my Performance Appraisal.

15. My Manager gave me constructive feedback during my last Performance Appraisal.

16. During my last Performance Appraisal, my Manager treated me with dignity and respect.

17. During my last Performance Appraisal my Manager treated me in a polite manner and has refrained from improper remarks and comments.
18. During my last Performance Appraisal, my Manager explained the procedures thoroughly.

19. During my last Performance Appraisal, my Manager communicated details in a timely manner.

20. The explanations regarding the Performance Appraisal procedures were reasonable.
21. During my Performance Appraisal I found communication with my Manager open and trustworthy.

22. The current Performance Appraisal encourages me to continually improve the way work is carried out.

23. My job performance has improved following my last Performance Appraisal.
24. Performance Appraisal conducted in the organisation increases employee motivation.

25. Overall, I am satisfied with the Performance Appraisal system conducted in the organisation.
PERSONAL LEARNING STATEMENT

The journey of undertaking a dissertation is challenging but also exciting and rewarding. It starts with the dilemma of choosing a current and interesting topic and requires tremendous dedication, diligence and drive to achieve great results.

Selecting the topic for this research was not difficult as it is an area of interest for the author. The author recognises the key role that performance appraisals play in developing, rewarding and motivating employees to enhance their work performance and productivity. As a HR professional, the researcher aimed to conduct strategic analysis and provide recommendations to design and improve the appraisal systems in the Irish Hotel Industry.

The author has conducted primary research and surveyed 113 employees working in three four star hotels in Dublin, Ireland. Undertaking research which has integrity and validity requires great knowledge, creativity, time management, analytical and interpersonal skills. These competencies were developed throughout the entire study with the researcher acquiring numerous skills in carrying out primary research.

The researcher focused on securing access to the organisations and participants early in the dissertation process. Likewise, the author tried to set an achievable research question, objectives and hypotheses and wrote each chapter separately as the research progressed. The author also consulted and obtained constructive feedback and support from the assigned supervisor. By overcoming the access issues, time pressures and other limitations the author was able to finish the dissertation in the time allotted.

The researcher learned to competently embed the theory in research, gained knowledge into existing research approaches and methodologies. The author also developed skills using the SPSS software package including statistics analysis, deduction and critical thinking. The author further developed invaluable skills such as business, communication and leadership skills. These skills were acquired when securing permission and access to carry out the study in the organisation and engaging the employees to take part in the survey.

If the researcher was to conduct this study again, the approach would look at using a qualitative research method, conducting interviews with both employees and managers to gain an in depth understanding of appraisal satisfaction and motivation to improve performance in the organisation. It may also be worth analysing and contrasting these perspectives among different employee segments and what changes occurred over time.
Submission of Thesis to Norma Smurfit Library, National College of Ireland

Student name: Mariana Florea                      Student number: 12105619

School: National College of Ireland   Course: School of Business

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