THE EFFECTS OF EMPLOYEE SATISFACTION AND PERFORMANCE APPRAISAL ON PERCEIVED JOB PERFORMANCE OF ACADEMICS IN KHYBER PAKHTUNKHWA, PAKISTAN

MUHAMMAD ASAD KHAN

A thesis submitted in fulfillment of the requirement for the award of the Degree of Doctor of Philosophy in Technology Management

Faculty of Technology Management and Business
Universiti Tun Hussein Onn Malaysia

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I would like to dedicate this thesis to

Almighty “GOD”

(Who gave me strength, knowledge, patience, and wisdom)

to my beloved “Parents”

(Their love, devotion, cares, sacrifices, and prayers helped me to achieve this dream)
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ABSTRACT

Performance appraisal system is always of significant concern of any institution when dealing with its academic staff. Therefore, this requires the institutions’ management to have an effective performance appraisal system, in order to evaluate and increase the job performance of their academics. Despite this, minimal research has examined the relationship between performance appraisal and perceived job performance among academics in the context of public universities of Khyber Pakhtunkhwa, Pakistan. The current study examined effects of employee satisfaction and performance appraisal on perceived job performance among academics in the target population based on procedural justice theory, expectancy theory and goal-setting theory. Quantitative research approach along with cross-sectional research design has been used to collect data from 301 academic staff in the target population through a self-administered questionnaire. The results of the current study provide empirical evidence on key issues related to performance appraisal of academics in the selected public universities. Findings have shown that fairness, untrained rater, rating scale format, goal-setting and purposes of performance appraisal and employee satisfaction are the potential hindering factors for low job performance in the respective universities. This research also gives clear directions to stakeholders and policy makers on the existing performance appraisal system for improvement of the perceived job performance of academics in the public universities.
ABSTRAK

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<tr>
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CHAPTER 1

INTRODUCTION

1.1 Introduction

The academics and practitioners have given more attention and importance to performance appraisal measurement. It is considered as a mean to manage and control different organizations and institutions (Watts & McNair-Connolly, 2012; De Vries, 2010). Perceived job performance measurement is currently a significant part of the management of public services, and performance appraisal is intrinsic in the public sector (De Vries, 2010). Performance appraisal is known to be the systematic approach through which perceived job performance of academics has been evaluated over a period of time (Hassan, 2016). The academics have accomplished development in explaining and prolonging the performance idea, and consider perceived job performance to be the central construct around work and organizational behavior (Koopmans et al., 2014).

Another central aim of performance appraisal is to improve perceived job performance of academics and eliminated performance hurdles regarding biases, fairness, accuracy, and employee satisfaction (Dusterhoff, Cunningham & McGregor, 2014). Performance appraisal is used to measure and improve perceived job performance of employees, and help the organization in progressing towards set goals and objectives (Abbas, 2012). Likewise, Rahman and Shah (2012) argue that performance appraisal has been conducted to improve perceived job performance of academic staff and also serve to enhance university performance.

Human resource management (HRM) practices such as performance appraisal can play a significant role in the performance of institutions by keeping
their employees motivated and satisfied (Zakaria, Zainal & Nasurdin, 2012). According to Hussain et al. (2016) academics are considered to be the essential resources that perform impartially and significant work for the success of any university, in both the public and the private sector. Satisfied academics play a vital role in the better performance of institutions (Hussain et al., 2016).

Nowadays, many researchers in the West opine that organizational performance and effective strategy is interlinked with the significance of perceived job performance (Othman, 2014). Higher Education Commission is the regulatory body of universities in Pakistan, and acts as a facilitator to improve quality, growth, innovation and development in the education sector (Zia-ur-Rehman, Faisal & Khan, 2015). There is a strong need for research to find out how performance appraisal can be made more acceptable to academic staff and to, further examine its effect on perceived job performance (Sharma & Sharma, 2017). Previous studies have also identified various problems, related to performance appraisals, such as fairness, untrained rater, satisfaction and inconsistent criteria for measuring perceived job performance of employees (Kompkotter, 2014; Muhammad & Suraya, 2013). These problems lead to negative attitudes and biases towards the performance appraisal system, and need to be addressed (Kompkotter, 2014; Muhammad & Suraya, 2013). The main aim of this research is to investigate the effects of employee satisfaction and performance appraisal on perceived job performance of academics in the public universities of Khyber Pakhtunkhwa, Pakistan.

1.2 Background of the study

Higher education plays a key role in developing a nation's economy. Thus, universities are the only institutions that involve rigorous human resources. In this regard, universities are found to be supportive of employing, and dealing competitive and skilled academics in Pakistan (Ashraf, Hussain & Malik, 2014). There is a dearth of knowledge and research regarding human resource practices, especially performance appraisal and perceived job performance at a higher level in the education sector of Pakistan (Ashraf et al., 2014). Universities in many countries look to get access to advanced levels in the classification of international
universities; the performance appraisal is employed as one of the things for organizational rearrangement to approach cutting-edge mattresses (Al-Ashqar, 2017).

Though universities regularly run by both academics and administration, but primary responsibility of promoting students as professionals comes on academics side. To attain world-class standards, an effective performance appraisal system for academics continuously remains a core concern in any education sector, including Pakistan (Bilal, Shah, Qureshi & Khan, 2014). Universities in Pakistan cannot achieve quality in higher education without constant evaluation and improvement in perceived job performance of academic staff (Bilal et al., 2014). Academic staff assessment is an intrinsic outset to identify the performance of every member; both public and private universities have adopted different parameters to measure performance to achieve the desired means (Anjum et al., 2011; Bilal et al., 2014). Hence, academics should be dealt and managed through effective performance appraisal system which is the only source for success in education (Rehman, 2012).

In human resource practices, performance appraisal is considered to be the most significant one (Kehoe & Wright, 2013), unique and prominent subject that is researched heavily in work psychology (Kim, 2014). To achieve its best, every university wishes to improve the perceived job performance of its academic staff to a higher level. Without fairness, the performance appraisal system creates negative impact and frustration among academic staff, and their satisfaction, motivation and development are also affected accordingly (Iqbal et al., 2013). According to Kaleem, Jabeen and Twana (2013) the success of any performance appraisal system depends on employee satisfaction. Embi and Choon (2014) argue that the performance appraisal system should be inclined to the development of better rating scale format to avoid rating errors, and to improve rating accuracy of the system. Performance appraisal system requires a trained rater to evaluate the performance of an academic objectively because in rating system the evaluator must be objective and accurate. However, biases produce when rater deviates from true ratings (Kumar, 2005; Bol, 2011). Performance appraisal process will be linked with the development of training rater to avoid rating errors, and to improve rating accuracy of performance appraisal (Embi & Choon, 2014).

Perceived job performance, pertaining to low quality of academic staff, also remain a subject of concern in the developed nations (Mawoli & Babandako, 2011). Therefore, the researchers have examined that most of the universities in the world
have the issue of perceived job performance among academic staff in terms of research output, student’s graduations ratio, overall university rankings and performance (Wahab, 2016; Hassel & Ridout, 2018). Employee satisfaction has also dynamically affected human behavior in the work-settings that is perceived job performance. The researchers, related to the field of organizational behavior, interestingly focus on the accurate evaluation of perceived job performance and understandings its values for academics at work place (Hettiararchi & Jayaratna, 2014; Bakotic, 2016). Perceived job performance includes all work-related behavior. It is the achievement of those goals that involves a person’s job and duties (Hettiararchi & Jayaratna, 2014). Perceived job performance is classified as task or contextual performance (Hettiararchi & Jayaratna, 2014). Perceived job performance of academics remains a central task in organizational management, and assuming effective methods to motivate academics to attain and deliver higher perceived job performance, as well as enhancement in the intuitional competitiveness is the vital goal of every institution (Inuwa, 2016).

Employee satisfaction is connected with some fundamental aspects of job, such as fairness procedures in evaluation, goal-achievement behavior, intrinsic and extrinsic opportunities. According to Eliphas et al. (2017) the notion of employee satisfaction, though of impressively current origin, is diligently linked to motivation, and is a contributing aspect in enhanced perceived job performance in workplace. Most of the universities, in this challenging era of competition, fail to accomplish their goals successfully because of low perceived job performance of academics (Eliphas, Mulongo & Razia, 2017). It occurs due to the incapability of the institution top management to motivate academic staff through an effective performance appraisal system to make them industrious and high job performer (Eliphas et al., 2017). If the management of respective universities does not subsume the issue of low perceived job performance, it will arise and turn into dissatisfaction among academic staff and poor institutional performance (Munisamy, 2013; Eliphas et al., 2017).

Perceived job performance of the academic staff needs proper rectification at the time, when it is examined below the standard in the universities (Rasheed et al., 2011). Those institutions, which are serious in the implementations of human resource practices, such as performance appraisal in an effective way, their academics feel safe and satisfied which in respond, improve their level of perceived
job performance in a superior way (Nadarajah, Kadiresan, Kumar, Kamil & Yusoff, 2012; Saleem & Khurshid, 2014). Employee satisfaction is observed as vital component in work-settings that attract a number of academic staff to the universities. Moreover, the change and challenges in structure and task to become a leading university has led to various problems confronted by the management, including administrative and academic staff. Among these issues can be the lack of rater training and perceived job performance (Okechukwu, 2017).

Various researchers point out that continuous perceived job performance is a lacking practice in the respective universities of Khyber Pakhtunkhwa, Pakistan (Rasheed et al., 2011; Rehman & Hafeez, 2018). The issue of low perceived job performance among academic staff not only damages their quality of work but also influences university performance (Malik & Sajjad, 2015). Most of the studies have been conducted on perceived job performance in the developed world, but very nominal research is undertaken in the academic setting of developing nations (Ahmed, Shaheen, Ahmad & Mohd, 2016). Though, a study which is based on theoretical and practical association between human resource practices, such as performance appraisal and perceived job performance has not been recognized well (Rehman, 2012; Okechukwu, 2017). Both employee satisfaction and perceived job performance have a direct relationship, which indicate that if the satisfaction level of the academic staff is high, ultimately the perceived job performance will be high and vice versa, in a university (Okechukwu, 2017). According to Asrar-ul-Haq, Anwar and Hassan (2017) future researcher should examine the relationship of employee satisfaction and perceived job performance in academic settings in Pakistan. Perceived job performance acts as a vehicle in identifying organization’s performance. Previous literature has illustrated that academics that do not adequately match with performance appraisal system have low job performance (Farooqui & Nagendra, 2014). Educational industry, around the globe, is basically reliant on the perceived job performance of its academics. The quality and enhancement of the education system in Pakistan is highly impacted by the academic perceived job performance (Yusoff, Khan & Azan, 2013). It is assumed that job performance is a significant factor which enhances not only the educational system but also the entire society and masses (Yusoff, et al., 2013; Bhat & Beri, 2016).

On the basis of considerable literature and opinions, it can be assumed that performance appraisal is related with perceived job performance. Yet, this
correlation needs to be tested among academic staff of Pakistan (Shehzad et al., 2008; Rehman, 2012). Various researchers opine that perceived job performance is crucial for the success of universities, though nominal studies have examined the direct effect of performance appraisal on perceived job performance among academics in Pakistan (Quresh, Akbar, Khan, Sheikh & Hijazi, 2010). Besides, HRM practices have been studied extensively in firms and businesses, but HRM in academic settings has yet to be researched rigorously (Roine, 2018). Most of the literature shows that performance appraisal has a positive association with employee satisfaction, but this relationship needs to be examined among academic staff in Pakistan (Mumtaz et al., 2011; Khan et al., 2012).

The academics of Khyber Pakhtunkhwa are found to be the nominal researched group in studies of HR practices, such as performance appraisal and perceived job performance, especially in Pakistan (Rehman & Hameed, 2011). In Pakistan, very scant studies have addressed the issue of low job performance among academic staff, and bear no conclusive findings, both theoretically and empirically (Rehman & Hameed, 2011). Moreover, the results a quantitative mode of study may be generalized to investigate the effect of performance appraisal on perceived job performance of academics. According to Ahmed, Hussain, Ahmed and Akbar (2010) very few studies have highlighted the factors of satisfaction and fairness in a relationship with perceived job performance in Pakistan. Karimi, Malik and Hussain (2011) state that ample study is required to clarify whether public institutions in Pakistan exercise fair performance appraisal system or not. Though, the prominence of HR practices such as performance appraisal, employee satisfaction and perceived job performance have been researched in various organizations and countries, but researchers are not content with the empirical findings conducted so far in public universities (Amin et al., 2014; Singh & Kassa, 2016). Employee satisfaction reflects a perplex area in the field of academic settings, when it comes to managing academic staff. However, plenty of articles and studies have been carried out on employee satisfaction worldwide, in which academics’ satisfaction is the least researched one among others (Verma, 2014).

The rationale to examine the performance appraisal system, in public universities of Khyber Pakhtunkhwa province Pakistan, is that little work has been done on this system, and it needs further studies to make this system acceptable and useful for the academics (Rehman, 2012). In this research study, perceived job
performance is the dependent variable, and employee satisfaction is the mediator. On the other hand, performance appraisal has been taken as the independent variable. The different independent variables (dimensions) affect the changing aspects of the dependent variable in the performance evaluation system.

1.3 Problem statement

Pakistani government made significant improvement in order to improve performance of universities in the area of infrastructure development, increased staff salaries and quality assurance plans. Yet the issue of low job performance of academics remains unaddressed (Sarwar, Aslam & Rasheed, 2010; Qureshi et al., 2012). Compared to the leading universities in the world, higher education institutions in Pakistan are still growing. Furthermore, performance appraisal of academic staff and their low job performance pertaining to teaching and research outcomes is not performing to the expected level among universities of Pakistan (Aslam et al., 2011). Several researchers have carried out studies on comparison of perceived job performance of academic staff in both private and public universities and have found out that one of the key edges of private institutions is that academic staff takes care of their reputation in terms of their job performance (Aslam et al., 2011). Performance appraisal dimensions (goal setting and purposes, fairness, rating scale format and rater training) and employee satisfaction has been a significant consideration in understanding the attitude and behavior of academics in universities because they are capable to outline the way academics think, feel and behave (Tool, 2012; Islami, 2018; Bakotic, 2016). One of the real issues for both private and public institutions in Pakistan is about the optimal output and low job performance of the academic staff. (Ahmed, Vveinhardt, Ahmed & Hemani, 2016). Academic staff plays a distinctive role in the progress of any educational institution including image building, efficiency, research output and overall maneuvers. Keeping in view the growing number of universities in Pakistan, it is important to address the issue of low job performance of academics. Without enhancing their low job performance, the goals of quality education and research seem impossible (Zafar et al., 2013). Additionally, Sherwani (2015) urges on the enhancement of the perceived job performance of academic staff in universities of Pakistan rather than financial
measures. Various factors have been stated as antecedents of perceived job performance. To date, some of the performance appraisal dimensions have been studied in relationship to perceived job performance of academic staff in both private and public universities of Pakistan (Krishnan, binti Ahmad & Haron, 2018; Sudin, 2011; Othman, 2014, Lunenburg, 2011; Hanson & Pulakos, 2015; Othman, 2014; Tool, 2012; Harsh & Martin, 2012; Ahmad et al., 2013). In general, these studies have identified that low job performance of employees, as reflected by unfairness in the workplace, lack of goal-setting approach and clear purposes, valid and reliable rating scale formats and untrained raters (Ahmad et al., 2013; Othman, 2014; Islami, 2018; Idowu, 2017 Krishnan et al., 2018), for instance, play a significant role in influencing perceived job performance.

Despite the aforementioned empirical studies on the performance appraisal system and methods in shaping academic behavior at higher education sector, literature shows that few studies have looked at the effects of performance appraisal on perceived job performance in academic settings (Shahzad et al., 2008; Ahmad & Shahzad, 2011; Syed, Bhatti, Michael, Sheikh & Shah, 2012; Rehman, 2012; Hashim et al., 2017). Even if there are studies on performance appraisal and perceived job performance, the studies were limited to investigating specific factors of job performance in workplace like; employee ability, well-being and motivation (Wainaina, 2014; Munisamy, 2013; Idowu, 2017). But, in reality, job performance of academics in universities of Pakistan plays an important role in shaping academic behaviour (Ahmed, Veinhard, Ahmed & Hemani, 2016). These factors will not allow better understanding of the perceived job performance such as compared to task performance in the academic settings (Yusoff et al., 2014). Some researchers came up with a consensus that performance appraisal and employee satisfaction is of special importance in institutions to enhance academic job performance (Zhang, 2012; Katavich, 2013; Dauda, 2018). However, as stated earlier, only little empirical research has examined the effects of performance appraisal on perceived job performance in the academic settings of Pakistan (Rehman, 2012; Aslam, 2013; Ahmad & Ghani, 2018). Such neglect has been unfortunate because to a greater extent, performance appraisal directly affects an academic’s behavior and job performance during performance measurement process. Thus, performance appraisal system is considered crucial for the achievement of institutional goals and objectives (Rehman, 2012; Othman, 2014; Dauda, 2018).
From theoretical perspectives, researchers have used various theories to understand the underlying causes of perceived job performance at work (Ashraf et al., 2015; Rehman & Hameed, 2011; Brata, & Juliana, 2014; Kaufman, 2010; Saqib, 2017). Currently, some of the theories that have been used to understand the underlying causes of perceived job performance include theory of planned behavior (Ajzen, 1985), equity theory (Adams, 1963), Job performance theory (Sonnentag & Frese, 2002), social exchange theory (Blau, 1964), Fayol’s classical organization theory (1949), among others (Ghauri, 2012; Rehman, 2012; Jalagat, 2016; Dauda, 2018). Besides, there are a number of theoretical arguments e.g., expectancy theory and goal-setting theory supporting the concept that performance appraisal influence perceived job performance and this theoretical argument needs to be tested that how HR practices such as performance appraisal translate into higher job performance (Rehman & Hameed, 2011; Brata, & Juliana, 2014). Moreover, other theories that had been employed to investigate job performance at work settings involve goal setting theory (Latham & Locke, 1979), expectancy theory (Vroom, 1964), and procedural justice theory (Thibaut & walker, 1975) among others. One possible reason for employing various theories to understand the underlying causes of perceived job performance is due to the complex nature of human behavior. As such, depending on one or few theoretical perspectives to describe an academic’s attitude and behavior is not sufficient.

In general, based on the aforementioned perspectives, existing empirical studies have been conducted to develop various models by considering different sets of individuals, organization factors to justify the underlying structures involved in perceived job performance at work (Jalagat, 2016; Bekele et al., 2014; Sajuyigbe, 2017). Furthermore, while these theories are useful to understand the underlying causes of academic job performance in academic settings, there seems to be a paucity of studies employing goal-setting theory (Islami, 2018; Decramer et al., 2013), expectancy theory (Othman, 2014), and procedural justice theory (Bekele et al., 2014) to explain perceived job performance effectively. Even, if any, such studies report conflicting findings (Decramer et al., 2013; Islami, Mulolli & Mustafa, 2018; Culibrk, Delic, Mitrovic & Culibrk, 2018). Paucity of studies has been noted as a key issue in the link between HRM (performance appraisal) and job performance (Kaufman, 2010; Saqib, 2017). Thus, the present study addresses this gap in the
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