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The Justice of Performance Appraisal

The Criteria of Perceived Justice of Performance Appraisal in the Context of Organizational Culture

Thesis of the Dissertation

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1. Selection of the Topic

The appraisal of the employees carried out in different ways is common in all the organizations. Instead of using haphazard appraisal done by the supervisor (depending on their mood or on their inadequate rating patterns) more and more organizations have started to apply the Performance Appraisal System (PAS). However, the rating scales in most cases don’t fulfill the expectations toward performance appraisal. Despite the well-designed rating scales and well-prepared supervisors, according to practice the PAS is often criticized. For this reason researchers and practitioners tried to bridge the gap between the practice and the researches of the performance appraisal (Banks, Murphy, 1985). Surveys of rater bias made in laboratories didn’t really contribute to the successful operation of the PAS, so the emphasis was laid on the analysis of the organizational context, the supervisors’ and employees’ attitudes towards appraisal. A lot of factors can be held responsible for the failure of the PAS, and the role of the rating scales (on what many researches have been done) or of the rating biases is insignificant compared to the organizational factors, the attitude towards the PAS and the background goals of the system.

Because of the fact that the acceptance and perceived justice of the PAS is a crucial condition of the successful operation of it, and because according to some researches (Bretz, Mikovich, Read, 1992) the PAS is found unfair by most of the employees, it would be worth examining this scope more thoroughly in order to enhance and to ensure the perceived justice.

2. Goals of the Research

1. Regarding the perceived justice we can talk about the justice of distribution (distributive), of process (procedural) and interaction (interpersonal-interactional). According to another approach (Greenberg, 1993) we can differentiate structural and social components both in case of the distributive and procedural justice and so four main factors can be dissociated. The authors’ interpretations about the structure of the factors of justice and about the content of the factors are dissenting, so my primary aim regarding performance appraisal is to identify the taxonomy of the perceived justice.

2. Empirical researches prove that the way its users perceive the PAS or the rating scale influences their intentions and behavior (Roberts, 1994). The criteria of the acceptance of the system relate mostly to its perceived justice (Greenberg, 1986; Taylor et al, 1995; Fletcher, 2001; Roberts, 2003).
The factors of the justice of performance appraisal can influence the perceived justice of the PAS to different rate, so my aim is to reveal the factors (criteria) that most influence the perceived justice of the PAS. In my dissertation I would like to get the answer:

- whether the consequences of the performance appraisal (salary, rewarding, training-development, lay off), the equity of the results of the rating (distributive justice),
- the justice of the operation of the PAS (procedural justice),
- the justice of the performance review, or the justice of the rater’s behavior is determinative.

3. The dominant organizational culture and the subculture considerably determine the characteristics of the PAS, so these characteristics can not be left out of consideration during the introduction, the developing and the review of the PAS (Davis, 1998). My aim is to compare the culture clusters, and to identify the culture dimensions that correlate to the perceived justice of the PAS.

3. HYPOTHESIS

1. The researchers, who deal with organizational justice, agree on that within justice we can differentiate the distributive (Deutsch, 1982), the procedural justice (Thibaut, Walker, 1975; Greenberg, 1987; Folger, Konovsky, 1989) and the interpersonal or interactional justice what is defined less accurately (Cobb, Vest Hills, 1997). However, Greenberg (1993) differentiates not three, but four factors within justice, and he handles the structural and social aspects of distributive and procedural justice separately. The four factors of justice are the following: the fairness of the distribution, the organizational procedure, the supervisory procedure and the justice of the rater’s treatment. The result of Roch and Shanock (2006), Brokner, Wiesenfeld (1996) and Colquitt (2001 qtd. Roch, Shanock, 2006) confirm Greenberg’s (1993) four-factor model.

According to me the organizational culture, the activity and the size of the company, and the scope is what is in the focus of the research of the justice (e.g. performance appraisal, selection, compensation, organizational change, downsizing etc.), considerably determine the taxonomy of the justice. One of the characteristics of the Hungarian performance appraisal systems is that the supervisory and organizational procedure don’t differ from each other, and contrary to Greenberg’s model, they make up one common factor. According to me the interpersonal justice refers to the supervisory treatment, and it excludes the explanation of the decisions that may be influenced by organizational characteristics.
1. The four-factor model of justice described by Greenberg cannot be proved on a Hungarian sample, because components of the organizational and supervisory procedure cannot be told apart accurately. Because of this the three-factor model, that distinguishes distributive, procedural and interpersonal justice, is proved.

2. The distributive factors of the justice of performance appraisal can refer to the results of the rating (concrete qualification), to principle of distribution determining the result of the rating, and also to the consequences of the rating (salary, pay raise, training, lay off). It’s very difficult to ensure the distributive justice – thinking either about the result or about the consequences of the appraisal. According to Erdogan (2002) distributive justice influences the equity of and the satisfaction with the result, while it doesn’t play an important role in the judgment of the whole of the PAS. Although the distributive injustice, the unfair result and consequence of the appraisal can affect one seriously, the judgment of the justice of the PAS is influenced by the components of the procedural and interpersonal justice, and within it mostly the supervisory procedure.

According to me if the employee finds the result of the appraisal unfair then the distributive justice plays a more important role in perceiving the justice of the PAS as if the result of the appraisal affects the employee unfavorably.

2.a. The procedural justice has a more significant influence on the perceived justice of the PAS, than the distributive justice.

2.b. The interpersonal justice has a more significant influence on the perceived justice of the PAS, than the distributive justice.

2.c. The distributive justice has a more significant influence on the perceived justice of the PAS, when the result of the appraisal affects the ratee negatively.

3. According to Greenberg (2004) the judgment of the distributive justice can be influenced by the procedural and interactional/interpersonal justice. According to the research of Dipboye, de Pontbriand (qtd. Bryan et al, 1993) and Robert (2003) the perceived justice of the result of the appraisal can also be influenced by the perceived justice of the rating procedure, because the ratees accept negative rating if they find the procedure fair. If the rating outcomes are worse than it is found fair by the ratee, then the equity of the result can be influenced positively by the justice of the procedure and the supervisor’s adequate treatment.

3.a. Both the procedural and the interpersonal justice affect the equity of the rating outcomes.
3.b. In case of worse-than-expected rating outcomes, the interpersonal and procedural justices affect the judgment of the equity of the result.

4. According to the scientific literature and the results of the focus group researches, the consequences of the performance appraisal play a key role in the perceived justice of the PAS. One of the questionable points of the setup of the PAS is whether its result should have an affect on salary, determination of the rewarding, training, lay off, promotion or career. The controversial opinions gained by means of the focus group researches partly correspond to the question with what the scientific literature deals a lot, namely to the difficulty of the irreconcilability of the ‘administrative’ and ‘developing’ goals. The system introduced with administrative goals relates to acknowledgements such as amount of payment, determination of the rewarding or the promotion, while during the rating with developing goals the performance review plays the key role and the emphasis is on the rated person’s future development. The opinions heard during the focus group researches and interviews confirmed me in that in case of the PAS contributed only to development, the employees miss the financial consequences, while in case of rating contributed only to salary or to the determination of the rewarding, they miss the development based on the results of the rating. Because of this I wanted to answer the question how the employees perceive fairer the consequences of the rating,

4.a. The perceived justice of the consequence of the rating affects the perceived justice of the PAS.

4.b. The ratees find the consequences of the rating fairer if the rating has direct effect on the salary, rewarding and training/development, too.

5. According to the researches of the connection between justice and trust (Brockner et al, 1997; Zala, 2000), trust plays a key role while determining the justice of the judgment. According to Fulk and his colleagues (1985 qtd. Stråberg et al, 2007) the trust between the supervisor and employee influences the perceived justice of appraisal, according to Cropanzano and his colleagues (2002) it influences mainly the interactional justice. In my opinion, trust has a significant effect on both the PAS and the supervisor’s (rater) perceived justice.

The trust between supervisor and employee (rater and ratee) has a significant effect on the justice of:

5.a. the performance appraisal system (PAS)
5.b. the consequence of the rating
5.c. the result of the rating
5.d. and on the perceived justice of the rating supervisor’s behavior.

6. The national and organizational culture and the individual factors can all have an effect on the preferred principle of distribution (Bond, 1982; id. Mező, Kovács, 1999). The preferred principle of distribution of an organization influences mostly the systems that are related to distribution, so for instance the system of incentives, compensation and performance appraisal. Preferring the principle of equality does not subserve the operation of the system of differentiated allowance (monetary reward) and rewarding determined by the performance appraisal, so in these cases despite of the differences showed in performance the tendency of equalization predominates. According to the results of Berkics, Bíró (2006) the principle of equity is more accepted in the private sector than in the public sector.

6. Instead of the principle of equity, the principle of equality is preferred in the public sector. It is probably in connection with that the payment and rewarding, determined by the performance appraisal, are less accepted in the public sector than in the private sector.

7. The organizational culture has a sensible effect on the operation of the organization, the behavior of the members of the organization and so on performance appraisal practice. The organizational culture features determine essentially the success, the failure of the performance appraisal, and the characteristics of its operation. According to me the extent of the performance and human orientation, and the power distance, that characterize the organization, are mostly in close connection to the practical characteristics of the performance appraisal and the perceived justice of PAS.

7.a. The performance orientation has a positive effect on the distributive, procedural and interpersonal justice.

7.b. The power distance has a negative effect on the procedural and interpersonal justice.

7.c. The human orientation has a positive effect on the interpersonal justice.

8. The organizational characteristics and the features of the organizational culture have an effect on the norms of justice, on the requirements that relate to justice and also on the judgment of justice.

According to the results of Brockner and his colleagues (2001) the possibility to declare one’s opinion and the participation in the process of decision-making have an effect on procedural
justice depending on power distance. Because of this the lack of participation results in injustice in the cultures that can be characterized by small power distance. So the perceived justice of PAS, in the cultures that can also be characterized by small power distance, is probably affected by the possibility to opine.

According to the results of Zala (2000), the level of trust forecasted best the organizational judgment of justice, but in my opinion, the role and importance of trust can differ depending on the organizational culture. According to my supposition, in case of large power distance, trust influences the perceived justice of the PAS and the rater much more, because in this case due to the lack of information, it is more probable that the ratees form their opinion basing on trust.

According to my hypothesis, due to the organizational culture, the criteria of the perceived justice of the PAS differ from each other.

8.a. In the organizational cultures that can be characterized by large power distance, the importance of opining does not have a significant effect on the perceived justice of the PAS.

8.b. In the organizational cultures that can be characterized by large power distance, trust has a central role in the perceived justice of the PAS.

4. PRE-RESEARCH

Before finalizing my questionnaire I held focus group researches in two organizations (out of which one belongs to the public, the other to the private sector). The research had two aims: on one hand to reveal the employees’ opinion about the perceived justice of the performance appraisal in order to be able to compose my questionnaire, on the other hand to test whether the questionnaire, compiled basing on scientific literature, can be interpreted. I had the opportunity to hold two focus group researches in the organization that belongs to the public sector and one focus group research in the one that belongs to the private sector. Altogether 26 people from different organizational units (8-9-9 people) took part in the focus group researches.

5. METHODS

TOOLS

Before the questionnaire research I made interviews with the HR expert of the organizations examined in order to reveal the characteristics of the PAS.
To be able to test my hypotheses I revealed the ratees’ attitudes towards performance appraisal, the perceived justice of the PAS, the trust between supervisors and subordinates and the organizational culture features by means of questionnaires. I researched the preferred principle of distribution, the characteristics of the practice of the performance appraisal, the attitudes towards performance appraisal, and the perceived justice of the performance appraisal by means of a questionnaire (called TÉR-kép) based on scientific literature and focus group researches. This questionnaire consisted of the following parts:

1. I researched the preference of the principle of distribution (equality, equity) by means of the questionnaire compiled by Berkics, Biro (2006) (6 items) supplemented by the factors (6 items) based on scientific literature and the focus group researches that were found fair while determining the allowance (monetary reward).

2. I researched the perceived justice of performance appraisal, the characteristics of the practice of performance appraisal and the attitudes towards the PAS by means of a 107-itemed questionnaire. I modified and supplemented the questionnaire whose items are based on a questionnaire compiled by Walsh (2003), based on the focus group research and the scientific literature (Tang, Sarsfield-Baldwin, 1996; Leung and colleagues, 1996).

3. I used Mishra’s 7-itemed questionnaire (1995 qtd. Zala, 2000) to which I added two more items to research the relationship between supervisors and subordinates.

4. I researched the satisfaction (with the supervisor, workplace, job, payment and the allowances) by means of 9 items, and the organizational commitment by means of the 8-itemed, shortened version of the originally 15-itemed questionnaire of Mowday, Steers and Porter (Zala, 2000).

The extent of the agreement with the items had to be judged on a 5-degreed scale.

5. I used questionnaire method to reveal the organizational culture in order to identify the relationship between the practice of the performance appraisal and the organizational culture. The 9 scales of the Global Leadership and Organizational Behaviour Effectiveness (GLOBE) are the following: uncertainty avoidance, power distance, commitment – loyalty, gender egalitarianism, assertiveness – aggressiveness, future orientation, performance orientation, human orientation, and individualism – collectivism. The rating of the present culture is being carried out by means of 34 items. The certain statements have to be judged on a 7-degreed scale. I wanted to reveal the subculture of the examined organizational units by means of the questionnaire.

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1 Before the questionnaire research I held a focus group research with the ratees in order to test the content of the questionnaire, and to complete it.
I made researches in altogether 20 organizational units of 10 organizations to reveal the employees’ opinion about the practice of the performance appraisal and about the organizational culture. I took into consideration only one criterion while choosing the organizations, namely that both the public and the private sector should be represented in the sample. Altogether 268 persons filled in the questionnaire that deals with organizational culture (GLOBE) and the one about performance appraisal (TÉR-kép). I could use 241 persons’ answers of 20 organizational units for the analyses held on the level of organizational units’. I took the answers of the whole sample (268 persons) into consideration, which were given in the questionnaire about performance appraisal, for the analyses that do not depend on organizational culture. I analyzed the relationship between organizational culture and performance appraisal by means of 241 persons’ answers.

6. RESULTS

I summarize the main results of the research, the explanation of the results and the proposals through the hypotheses.

The first hypothesis tended to reveal the factors of organizational justice. According to the results of the factor analysis, in case of four factors, the content of the factors of procedural justice differs from the structural and informational justice written down by Greenberg. The two factors of procedural justice do not separate the structural and social elements of the procedure. Whereas the result gained in case of three factors reflects the distributive, procedural and interpersonal justice what is most often examined in scientific literature. According to my results the first hypothesis has been confirmed.

The rater and organizational probably did not separate from each other, because it is primary the supervisors’ task to inform the employees about the introduction of the PAS, about the characteristics of the system, and about the rating factors. Supervisor is the one, who forwards the organizational decisions to the employees and the employees’ ideas to the management of the organization, thus the blur of the line between the organization and the supervisor is almost unavoidable. What more in case of performance appraisal, compared to other organizational processes, the rating supervisor’s role is even more important since not only the forwarding of information but also the operation of the system depends totally on them. The fact that the organizational and supervisory procedure go together can be explained by
the lack of the trust felt for the organization. However, the result gained in case of the performance appraisal does not confirm that the blur of the line between the organizational and supervisory factors are true for all of the organizational procedures.

I find it probable that there are organizational processes where the judgment of the organizational and supervisory justice separate from each other in a Hungarian sample, too. This is confirmed by the result, that in case of the half of the examined organizational units, the perceived justice of the organization and the supervisor differs significantly.

The interpersonal justice includes the rating sensibility that means the rater’s treatment, the respect, and the impartiality, that separates from the rating procedure that includes the explanation of the decisions, too. The content of the third factor of justice does not correspond with the interactional justice written down in scientific literature. Presumably, the explanation of the decisions referring to the justice of the procedure is influenced much more by the organizational context and the characteristics of the culture than the personal features of the rater.

In case of four factors, similarly to Roberts’ results (1994), the factors that ensure the validity of the information, such as the frequent observation and evaluation of the performance, the preparation of the raters and the follow up of the performance can be found in one of the factors of procedural justice, while the other includes the possibility of participation. So the expression of emotions and the opining separate from the other elements of the procedural justice in the employees’ cognitive system. The employees’ expectations about the expression of emotions and the opining, the satisfaction with these and the organizational conditions of the opining differ according to the organizational culture.

2. Out of the three factors of justice only one, the procedural justice influenced significantly the perceived justice of PAS, so the 2.a. hypothesis has been confirmed, but the 2.b. hasn’t. The judgment of the performance appraisal system itself is influenced by the organizational and rating elements of the procedure, primarily the relevance of the rating factors, the frequency and explanation of the feedbacks. Out of the elements of the interpersonal justice only the partiality of the rater influences directly the judgment of the system, but the treatment of the rater, and the possibility of expressing emotions or declaring one’s opinion ensured by them don’t. The behavior of the supervising rater plays a significant role in the judgment of the whole system.

According to the result, similarly to the interpersonal justice, the distributive justice and the equity of the rating outcomes don’t play a significant role in the judgment of justice. But the
conclusions drawn from the results can be misleading if we don’t take into consideration that most of the respondents have not been concerned in a negative way by the rating, thanks to the average or better than average. Although the equity of the rating outcomes does not influence the perceived justice of the PAS, it influences the judgment of the performance rating behavior of the rater. Beyond the procedural justice it also influences the perceived justice of the PAS, in case of employees who get worse-than-expected rating.

3. Unlike my previous expectations, the procedural justice, the verification of the rating outcome, its explanation, the rater competence and the relevance of the rating criteria (the factor of the frequency and explanation of feedbacks) do not influence significantly the equity of rating outcome, but the interpersonal justice does.

So my 3.a. hypothesis has been partially confirmed.

The results of Lind and Tyler (1989) and Cobb, Vest and Hills (1997) supported the role of the elements of the treatment. Thus the rater’s treatment can positively and negatively influence the perceived justice of the rating outcomes. If during the performance evaluation meeting the supervisor’s communication is not adequate, but more like offensive, personal, hot-tempered, it can cause the ratee’s immediate resistance. In this case the valid, relevant rating is for nothing, the humiliated and hurt employee is not able to digest the content of the feedback. Thus, because of the style of the feedback, they will be dismissive with the rating outcomes. They find the rater partial, and the result of the rating unfair.

In case of worse-than-expected rating outcomes, contrary to my hypothesis, neither the procedural nor the interpersonal justice influenced the judgment of the equity of the rating outcome. The 3.b. hypothesis has not been confirmed.

Only the trust between the supervisor and the subordinate affected the employees in a way that they find the worse-than-expected rating outcome fair and that they accept it. The effect of the trust between supervisor and subordinate is primary due to the positive attitude that was established during the previously experienced supervisory procedure and treatment and the justice of distribution. In this case the employee still trusts the supervisor’s justice contrary to the worse-than-expected result. Nevertheless, according to the results we can not exclude that the procedural and interpersonal justice can contribute to one find the negative rating fair. If the procedure is fair, the feedback is frequent and precise, then most likely the rating will not take the ratee by surprise. The fair rater treatment contributes to the employee to accept the result of the rating.
4. The conclusion of the rating has a determining role in the perceived justice of the PAS. The 4.a. hypothesis has been confirmed.

According to the results, development, training, and then the reward, premium has significant effect on the justice of the rating outcome, but the payment does not. The 4.b. hypothesis has been partially confirmed.

The rating connected to development and training is found fair by the employees probably because it shows that the organizational and supervisory attitude of performance appraisal is not to identify their faults or to question the inadequate performance, but to support the employees’ adequate performance by the supervisor and organization.

Beyond development and training, the rewarding of performance has also a significant effect on the justice of the consequences of rating. Because this confirms that it is worth making a bigger effort and working more and better, since the organization recognizes and honors it. Without financial consequences the employees find the rating meaningless, although it can differ due to the organizational culture. The employees of the organizational units of private sector find the performance appraisal motivating even without being connected to payment and rewarding, so the acceptance of the development-oriented rating must be higher than in the public sector. According to the results gained due to organizational culture, the employees found the consequences of rating the fairest in those organizational units where the rating has a significant effect on the rewarding (where the rating is a lot at stake) and where the rater paid considerable attention to the feedback of the performance and to their subordinates’ development. Objective indicators, continuous, fact-based performance appraisal, development based on the rating outcomes and rewarding are needed in order to let the two precluding goals be present at the same time. The performance-based payment does not have a motivating power probably because the pay rise based on the rating outcomes are usually low. Beyond this, the payment of the following year based on the performance of the past can seem unfair if the employee’s actual performance does not meet the requirements one year long.

5. The results just like the results written down by Brockner and his colleagues (1997), Gabris and Ihrke (2000), and Zala (2000) confirm that trust plays a central role in the forming of justice judgments. Trust is one of the factors that determine the PAS, the consequences of the performance appraisal and the rater’s rating behavior the most. In the relationships, which can be characterized by bigger trust, one is much indulgent to smaller mistakes and unfairness,
what explains the importance of the trust. So the high level of trust affects them in a positive, the low level of trust in a negative way.

According to the results the trust between supervisor and subordinate does not influence only the judgment of the equity of the rating outcome significantly. It can be explained with that the employee has satisfactory information from the result of both their and others’ rating, so trust does not play a significant role in the fair decision-making. According to me, the justice of distribution does not cause big stress and dissatisfaction among the employees yet, because the supervisors in most organizations do not or hardly differentiate the ratings. And the rating has hardly sensible consequences. If the rater differentiates adequately, and if the rating has significant consequences, then due to personal concern, the judgment of the equity of the rating outcome becomes more important. In this case trust plays a much more significant role in the judgment of the equity of the rating outcome. This is confirmed by the result, due to which in case of worse-than-expected rating\(^2\) only the trust between the supervisor and the subordinate affects the ratees to feel the result fair.

6. According to the results of the preferred principles of distribution examined due to the organizational culture, the employees both of the public and the private sector agree more with performance-proportion (performance based systems) than equality. The only difference between them is in the extent of the agreement or disagreement. In the organizational units of the public sector beyond performance-proportion, equality is found more important than in the private sector. This can explain the duality why the employees would like to have a performance-based allowance (monetary reward) and at the same time, according to organizational traditions and employee characteristics, why equality is important for them. The 6. hypothesis has not been confirmed.

According to the results the employees of the public sector are not averse from the performance-based distribution in principle, so the performance-based allowance / monetary reward and rewarding do not support the negative attitude towards the PAS. What more the employees of the public sector, contrary to the employees of the private sector, can not imagine that the PAS could operate successfully with the sole purpose of development and without any financial consequences. This result can be explained mostly with the dissatisfaction of the allowance (monetary reward) and the lack of the development orientation. The results of the interviews and focus group researches highlighted that in the

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\(^2\)This group is only a small part of the sample, what can explain, concerning the whole sample, why the trust does not have a significant effect on perceived justice of the result.
In the public sector, the connecting of the performance appraisal and the development is confined at most to the rewarding of those who perform outstandingly. This organizational attitude and practice result in employees not even thinking of using the rating outcomes for compiling the development plan.

7. Out of the organizational culture dimensions, the commitment, loyalty felt for the organization and for the own group can influence the employees’ opinion about the performance appraisal above all. The organizations that can be characterized by low trust, the performance appraisal is less efficient (Murphy, Cleveland, 1995; Takács, 2002), what is confirmed by my results. In addition to loyalty, the level of performance orientation has evidently the most significant effect on the practice of performance appraisal and on its perceived justice. High performance orientation is the base of that the employees accept the performance appraisal and the raters lay big emphasis on the continuous feedback and on the performance-based determination of the rating outcomes and consequences. The 7.a. hypothesis has been confirmed.

The power distance, according to my previous suppositions influences the procedural and the interpersonal justice significantly. Small power distance gives good opportunity for the frequent, relevant feedback, for the participation, for opining and for expressing emotions. The 7.b. hypothesis has been confirmed.

Human orientation and caring about the employees have a positive effect on interpersonal justice. The 7.c. hypothesis has been confirmed.

8. Different criteria play crucial role in the justice of the PAS due to the organizational culture. According to my results the trust between supervisor and subordinate affects the perceived justice of the PAS in the organizational culture clusters (organizational units of the public sector) that can be characterized by large power distance the most significantly, while the possibility of expressing opinions or emotions do not do at all. The 8.a. and 8.b. hypotheses have been confirmed.

It cannot be generalized what should be paid attention to, in order to make the employees perceive the PAS fair. Because of this it is worth revealing the features of the organizational culture first, so that due to the culture it will be determinable that out of the components of justice what should be put more emphasis on.
7. SUMMARY

The success or failure, the justice or injustice of the performance appraisal depends on many factors, among which I researched the effect of the characteristics of the rating practice, the trust between supervisors and subordinates and the organizational culture in my dissertation. The perception of justice is subjective. On the basis of the employees’ opinion, the injustice of the performance appraisal or the opposite of it can be proved anytime. But what does it depend on whether the employees would like to find the operation of the PAS, the rating supervisor and the rating outcomes fair? According to my result, the judgment of justice is determined mostly by the trust between the supervisor and the subordinate and by the organizational loyalty. In absence of trust it is really hard to create conditions that help the justice of the rater’s/supervisor’s treatment, of the procedure or of the distribution be positively judged. The fair regulation of the performance appraisal procedures is useless without the adequate supervisory treatment, the concrete rating supported by examples, performance appraisal results that seem fair; if the employee does not trust the organization and the supervisor, they will probably find everything unfair. We can increase the perceived justice of the factors that are related to the PAS with inspiring and sustaining confidence.

Beyond the organizational trust, the features of the organizational culture also play a determining role in what extent the performance appraisal will be viable. The results gained from the examination of the relationship between the perceived justice of the PAS and the organizational culture confirm that the organizational culture can not be disregarded during the set up, introduction and operation of the PAS. The elementary conditions of the PAS are the high performance and human orientation, the future orientation, the small power distance with adequate treatment, with the unbiased, objective rating and with the possibility to opine, and the frequent and precise feedback.

The deficiency of the concrete method can be remedied relatively easily, while the change of the raters, of the characteristics and attitudes of the raters and of the organizational conditions is a much more difficult process. Although it is a time-consuming and difficult process it is worth influencing the organizational culture, that significantly determines the operation of the PAS, and the trust between supervisors and subordinates, the precise and concrete determination of the performance appraisal goals and of the results expected from the rating, the raters’ and ratees’ participation and adequate informing, the relationship between the performance and the organizational decisions, the raters’ and ratees’ adequate preparation, the
continuous monitoring of the PAS can improve the inner conditions of the operation of the performance appraisal system within the organization.

8. THE PRACTICAL USE OF THE RESULTS OF THE RESEARCH

The positive attitude formed as a result of adequate, fair performance appraisal practice is an essential term of the success of the PAS that is why I find the revealing of the reactions and attitudes related to the PAS necessary. The main problems that are an obstacle to the successful operation of the PAS could be identified by means of the continuous monitoring of the system. According to the result, we should not disregard the characteristics of the organizational culture during the design, set up, introduction and review of the system.

The methodology used in the research can be used for revealing the characteristics of the organizational culture, performance appraisal system and performance review. The GLOBE questionnaire can be used for researching the organizational culture and subcultures, which highlight the obstacles derived from the culture of the performance appraisal. The TÉR-kép questionnaire can be applied for the review of the performance appraisal practice, for the judgment of the rater and organizational components of the performance appraisal, for the revealing of the attitudes related to performance appraisal, and for the identification of the factors hiding in the background of the opinions about performance appraisal. I find it necessary by all means to supplement the questionnaire research by means of focus group research in order to make it possible to customize the questionnaire and interpret the results adequately.
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