

Job Satisfaction through Performance Appraisal: Moderating Role of Locus of Control

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ARTICLE INFO	ABSTRACT
<p><i>Article History:</i> Received: 21 May, 2022 Revised: 31 Aug, 2022 Accepted: 21 Sep, 2022 Available Online: 10 Oct, 2022</p> <p>DOI: 10.56536/ijmres.v12i3.242</p> <hr/> <p><i>Keywords:</i></p> <p>Performance appraisal, Job satisfaction, Locus of control</p> <hr/> <p><i>JEL Classification:</i> F34, O57</p>	<p>This research paid attention to Performance appraisal as the administration uses these tools. The research is on Performance appraisal and employee job satisfaction and analyzes the moderating role of locus of control (LOC) between performance appraisal and employee job satisfaction. Building on cross-sectional data of white-collar employees (N=214) from several organizations, we apply regression analysis that allows us to more thoroughly evaluate the causality of formal performance appraisals PAs on employee job satisfaction paralleled to earlier “cross-sectional” research. Performance appraisal positively influences job satisfaction, and LOC moderates the link between performance appraisal and employees' overall job satisfaction. Moreover, the study is required to apply internal and external locus of control as well as estimate the causal effects of Performance appraisals related to monetary and non-monetary consequences. Performance appraisals (PA) are considered a helpful human resource management instrument that workers recognize well. PA is a major cause of job satisfaction. This requires that the system be known for the effectiveness of appraisals when preparing performance appraisal structures. The study has been inclined to pay more attention to the association between the formal Performance Appraisal process and employee job satisfaction and the indirect effect of locus of control. Organizations need to acknowledge the importance of Performance Appraisal, which is a robust HR management tool.</p>

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1. INTRODUCTION

Performance appraisal is essential for effective human resource management (HRM) (Khahan et al., 2020). According to company prospects, it is utilised to evaluate whether an employee's job performance is efficient (Khahan et al., 2020). For hundreds of years, the assessments of workers' performance at jobs have interested many scholars and practitioners (DeNisi & Murphy, 2017). Organizations frequently use performance appraisal for evaluation purposes (Murphy & Cleveland, 1991). “It is a process that is supposed to help workers learn about organizational norms and accept them” (Lin & Kellough, 2019; Nazar et al., 2022; Hameed et al., 2019; Arain et al., 2019).

It allows evaluating the employee performance. Performance appraisal also provides employee satisfaction and professional development (De & Pritchard, 2006; Selvarajan & Cloninger, 2012). Employee promotions, salary increments, and career development and training procedures are based on the results obtained from performance appraisal. The main key advantage of a performance appraisal system is evaluation results-based pay systems to ensure goal congruence among employees and organization to motivate and reward employees (Milkovich et al., 2014). Furthermore, researchers and practitioners in HRM are very concerned about fair PA because it is a key aspect affecting employee's job satisfaction.

Appraisals consist of two elements, evaluation and rewards system (Boswell & Boudreau, 2002; Meo et al., 2020; Suki et al., 2022; Chowdhury et al., 2021). It is not only focused on setting targets and goals for employees but also looks into how to develop the employees' skills to gain maximum benefit from performance appraisal (e.g. improvement of skills). It is also used to identify the strength and fragility of employees. Low-performance employees can be identified and trained for the future. Performance Appraisal is considered an investment by the organization as the management spends time on it to obtain a better work service; for instance, evaluations done may not be fair.

The study supports the earlier research in numerous ways. It has been discussed earlier that Performance Appraisal validly supports HR management in developing employees. Based on cross-sectional data sets, it is confirmed in authentic studies of this topic with a significant number of markings that expose main identification difficulties, which makes it difficult to make recommendations on causalities or else eliminate the option based on opposite causation (Kuvaas, 2006). According to our knowledge, this study is among the first of its kind, observing the part of LOC (locus of control) as a moderator between the link between performance appraisal and employee's job satisfaction.

The earlier similar studies considered that every type of person being assessed has a different impact on the effectiveness of assessments due to their behavioral and attitude difference towards their work. Employees prefer to stay in a company that values its culture and employees (Zhang & Gowan, 2012). Grounded on the attraction-selection-attrition model (Schneider, 1987), based on every person's perspective, performance appraisal will affect every person differently based on their job role at different workplaces.

Job satisfaction affects the worker as it depends on their work. It can also be taken about their feelings about their jobs on how employees feel about them (Hoboubi et al., 2017). It is understood that job satisfaction and disappointment clearly relate to what the employee receives and what he is expecting. It is an imperative piece of general life satisfaction among the working-age person. Job satisfaction and dissatisfaction bridge the reality and the employee's expectations from the organization. A satisfying job performance is an important part of every employee's life (Ahn & García, 2004). Job satisfaction is recognized as an important function of management. The common facets are (Smith et al., 1969; Chaudhary et al., 2022; Ali et al., 2021; Saif et al., 2022; Awan et al., 2022) salary, increments, coworkers, management, and job responsibilities. Locke (1976) includes additional aspects: acceptance, work environment, the organization and

supervision. In general, job satisfaction and reward system are identical, whereas salary and increments are not considered important, coworkers and management are considered more important.

A locus of control is applied as a personality trait. Locus of control is a personality factor which characterizes an employee's beliefs about personal control over the environment. In a person's view, locus of control (Rotter, 1966) is a framework which identifies how their work is controlled (internal LOC) or is dependent on others (external LOC). Employee's under internally controlled administrations are more satisfied and committed to their work (Clive Fletcher & Williams, 1996). The research objective is to inspect the consequence of Performance Appraisals by management for overall job satisfaction using cross-sectional data. The study was supposed to inquire about the following issues: (1) How effective is performance appraisal regarding job satisfaction, (2) how locus of control impacts performance appraisal and job satisfaction?

Performance appraisal requires employees to take a keen interest in it and utilize all its components at its full, the usefulness of PA depends only on satisfaction level of a person's job, which identifies performance and requires development. Control's effects on performance appraisal work as a medium between job and organization objectives (Chhabra, 2013; Judge & Bono, 2001; Patterson et al., 2004; Whitman et al., 2010). The study was performed to identify the effects of performance appraisal on job satisfaction. The study was performed to explore the consequences of performance appraisals by management for overall job satisfaction. The study has a feature that examines the association between performance appraisal and job satisfaction by locus of control. The result has shown that Performance Appraisals have an encouraging effect on employee job satisfaction. The results also show the moderating effect of locus of control on PAs and employee job satisfaction.

2. LITERATURE REVIEW

Performance appraisals and job satisfaction

Quantitative measures align the goals at the independent and collective level, that provides better employee work effort (Locke & Latham, 2002). A Goal-setting theory provides that goal achievement is directly linked to Performance Related Pay and is directly associated with employee morale or job satisfaction. The idea is centred on former studies that performance appraisal is based on high employee work morale (Bryson et al., 2012; Green & Heywood, 2008; Heywood & Wei, 2006).

Performance appraisal is a procedure to find more competent employees on the basis of their work performance measurement using different evaluation techniques (Murphy & Cleveland, 1991). It is utilised to evaluate whether an employee's job performance is efficient in accordance with company prospects (Khahan et al., 2020). Performance appraisal allows evaluation of the performance of employees by management. Performance appraisal helps keep the staff motivated and improves their professional development (De & Pritchard, 2006; Selvarajan & Cloninger, 2012). Appraisal provides both development of employees and their evaluation (Boswell & Boudreau, 2002). The developmental part of the performance is used to recognize the required training and development for the employee based on their job description and performance (e.g.

training and development needs). Performance Appraisals help identify employees' weaknesses, which can be fixed with suitable training required by each. Employees with low-performance indicators can be identified and provided help to train and develop their work performance (Kampkotter, 2017).

Performance Appraisal has provided a system that allows for evaluating employees' performance and setting up reward schemes based on performance indicators (Clive Fletcher, 2001). Performance Appraisal is performed in an organization for various reasons such as; rewards and incentives, employee performance evaluation, promotion and development feedback (Cawley et al., 1998). Performance Appraisal is studied as an essential tool to identify the organization's success; it allows for determining, controlling, monitoring and evaluating an organisation's goals and strategic objectives (Bacal, 2004). The objective is to maximize employees' contribution provided to the organization and achievement of the organizations targets. Thus the extracted information is often used for employee-to-employee performance comparisons (Cleveland et al., 1989). The appraisal is also used to help employees perform better to achieve their job objectives (Dusterhoff et al., 2014).

The performance Appraisal has been formed as an integral part of the management to provide a goal congruence between employee and organization objectives. If management is using performance appraisal as a management tool, it should be ensured that employees are pleased and satisfied with the organisation's performance appraisal system. If the appraisal system is considered unfair, employee may not accept the results of the appraisal (Keeping & Levy, 2000). A person unsatisfied with the performance appraisal system will not be motivated to perform his job, providing less commitment to work and increased intention to leave due to lower work commitment levels (Michelle et al., 2010). The advantages of a well-developed performance appraisal system consist of effective performance planning, enhanced skills development, and well performance evaluation; it provides a means to improve employee performance and employee development and given that calculated feedback can be intended for decision-making by the HR department (Longenecker & Fink, 2017). Performance appraisal can help an individual learn how to perform their job effectively; they may get a better idea of what type of work performance their management expects from them.

Performance Appraisal PAs also greatly impact monetary rewards and incentives (Kampkotter, 2017). Performance appraisal results are used to decide the development and required training (Youngcourt et al., 2007). PAs has two methods: appraisal and training (Meyer et al., 1965). Appraisal method includes evaluating data provided by the supervision team, performance assessment, and increment, preservation, or employee's termination. The second method is considered to improve employees' work methods and needs for development, identifying staff needs for development and training (Boswell & Boudreau, 2000). A storyline that rater and ratee produce is considered a performance appraisal. Performance appraisal is an opportunity to create a good relationship between management and employee (considering, trust), which is very important for the developmental method (Pichler, 2012).

Job satisfaction is a complex element of job appraisal faced by employees (Aziri, 2011). Due to its complexity, job satisfaction is perceived differently by every individual. It is pivotal for employee attitude/behavior, which is beneficial for the behavioral outcomes at the workplace (Mann et al., 2020; Ilyas et al., 2021; Khan et al., 2021; Arshad et al., 2022). It is the most widely recognized tool for evaluating one's performance. Job satisfaction equals performing work effectively under dynamic conditions and environments. Employee's job satisfaction comprises mental and environmental conditions that can make a person consider whether he is satisfied with his job or not (Hoppock, 1935).

As per the study, job appraisal is negatively affected by several reasons. On the other side, internal factors may also affect job satisfaction. Job satisfaction comprises different elements. Researchers divide employee job satisfaction into basic and primary factors. Supervision is a basic need, whereas coworkers are primary. Job satisfaction also depends on how people perceive their jobs. Positive mindsets for work are usually satisfied people.

On the contrary, destructive and lazy mindsets are considered unsatisfied (Armstrong, 2006). Job satisfaction depends on one's emotional state and perception of work (Locke, 1976). Workers with nonrecurring task jobs have gained more job satisfaction as they meet new challenges daily. Job satisfaction is an emotion which is not dependent on climate, culture, and identification of management and is directly dependent on management behavior towards an employee (Celik, 2011). Vroom, in his theory, identified that people are satisfied based on their rewards. Individuals are satisfied with if they get what they desire, and they perform because it leads them to get what they desire (Lawler & Porter, 1955). It is clearly visible that high job satisfaction leads to high job performance. The employees who feel they get paid enough are the most satisfied (Brown, 2001; Asim et al., 2021). Job satisfaction reduces the gap between what is required and what an employee gets. The contribution of job satisfaction depends on how it is used by its management and its importance to the management (Hantula, 2015). Job satisfaction is critical among working employees (Ahn & García, 2004). Job Satisfaction can be considered to define the work role of employees and its importance to employees (Diaz-Serrano & Cabral Vieira, 2005) and may also provide when the employee may intend to leave work (Gazioglu & Tansel, 2006).

Performance appraisal directly affects employees' job satisfaction (Judge et al., 2001). As quoted, "I informed you because I like you" (Liu et al., 2010). People want to know when they are satisfied with their performance. However, an evaluative performance appraisal PA provides employee's monetary rewards and improves employee satisfaction (Xu et al., 2014). Mutual goal setting provides a better understanding of job satisfaction and performance appraisal rating distortions, and deterioration is widespread in organizations (Moers, 2005), which is one reason for low acceptance and self-satisfaction. The variation in rating is due to different reasons, unwise decision and unfair judgment based on personal likings, preferences, and personality factors (Murphy et al., 1991; Murphy & Cleveland, 1995; Poon, 2004). According to earlier studies, employees' judgment of the system is very significant (Cheng, 2014; Lau et al., 2008; Pettijohn et al., 2001; Selvarajan

& Cloninger, 2012) due to the link between fairness and an impression of fair judgment and employee satisfaction (Colquitt et al., 2001; Yasir et al., 2021).

Blau (1999) discovers a favorable effect of four magnitudes of performance appraisal (Readiness, Processes, Locale objectives, Opinion) and inclusive employee job satisfaction. Performance appraisal Pas outcome depends on employee satisfaction (Jawahar, 2006), including an active organization system (Kuvaas, 2006). Sommer and Kulkarni (2012) favorable and positive outcomes are linked to employee growth as well as have an encouraging effect on work. If the employee participates in a Performance Appraisal process, the results are considered to be directly effective and found to be fair and moderate (Selvarajan & Cloninger, 2012).

Performance appraisal incurs some cost. Because of spontaneous evaluation of individuals work and their work attitude, few employees consider how they can manage their job. This will negatively affect their job satisfaction. Performance Appraisals are mostly connected to financial outcomes. In the majority, the individuals have an increased risk in an economic return regarding the loss of bonus. Performance Appraisals will require a fair salary distribution in the organization, affecting employees' job satisfaction, such as dislike inequity. It was found through studies that the comparison of income of an individual with their competitors had an inverse impact on their work and salaries (Brown et al., 2008; Card et al., 2012; Clark et al., 2010; Ockenfels et al., 2015; Rafique et al., 2020).

Hypothesis 1: Performance appraisal positively influences employee job satisfaction.

Locus of Control

Locus of control (LOC) is a personality factor which characterizes an employee's beliefs about personal control over the environment. In a person's view, locus of control (Rotter, 1966) is a framework which identifies how their work is controlled (internal LOC) or is dependent on others (external LOC). The feeling of self-reliance is already present in employees to work hard to be satisfied incredibly in the posts with a financial reward system. Because factors perceive that objectives are attained through efforts only, performance evaluation is very important. It has been found that the internal control system is linked to employee work performance and work nature (Ng et al., 2006). The internal control system favours employee job satisfaction (Spector et al., 2002). However, for internal factors, Performance Appraisal is supposed to be linked to monetary rewards, which provides that employees who do not receive monetary rewards are less satisfied with their job. Employees with high external LOC will have an adverse opinion of PA if the targets already agreed are uncertain because of external factors (Kampkotter, 2017; Qaisar et al., 2021). According to a research, people rely more on internal systems (Chen & Silverthorne, 2008; Kirkcaldy et al., 2002; Martin et al., 2005; Abid et al., 2021). People who believe their work has a direct impact are more satisfied. Employee's under external influence, like senior management, had more stress in their job (Spector & Fox, 2002). The research concluded that internal control makes employees highly satisfied and committed with their work compared to external control systems.

Hypothesis 2: Locus of control (LOC) moderates the relationship between performance appraisal and job satisfaction.

Theoretical framework

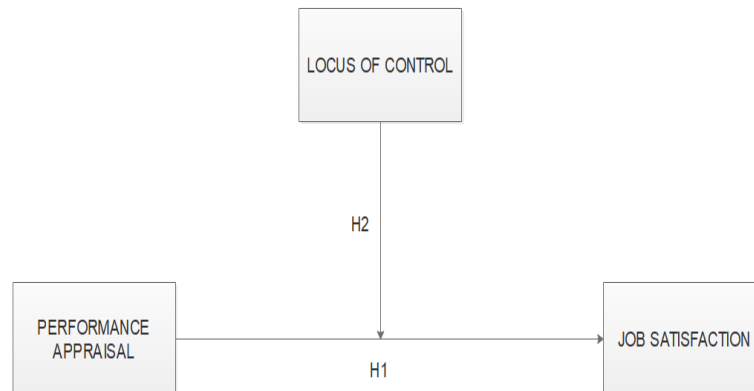


Fig. 1. Theoretical Framework

3. DATA AND METHODOLOGY

Sampling and Data Collection

This research was carried out on white-collar employees of different organizations in different cities in Pakistan. The survey covers performance appraisals, job satisfaction objects, job history, educational background, lifestyles, demography and LOC (locus of control) through a questionnaire. The first author herself managed the collection of the data by personally visiting organizations and explaining any questions raised to collect about 100 responses. For data collection from other cities, educated representatives (having Master's degrees) were chosen and guided about explaining possible issues that had arisen (and may possibly arise) while collecting data. Some responses were incomplete, while some were not seriously answered. For example, very young aged employees reported the highest education and number of children. All such incomplete or non-serious responses were excluded to arrive at 214 final responses to be used for the analysis. The final research compiles 214; 199 total (93%) and 15 temporary (7%) workers through different activities as well as professions with a mean age of 2.81 (31-40) with S.D = 1.097. The research was based on 101 male (47%) and 113 female employees (53%); 62% of employees have a permanent work contract, 34% contractual contract, and 4% internee.

Measurements

Performance appraisal

Performance appraisal PAs is evaluated by a superior as; "Is your own performance regularly assessed by a superior as part of an agreed procedure?" Therefore, the main objective is to have an ongoing process; this avoids any conflicts with sub-ordinates. Agreed employees who answered "Yes" were later enquired whether the valuation affects their salaries, and possible chances of appreciation.

Job satisfaction

Employee's Job satisfaction is based on "How satisfied are you with your job?" on a 5-point Likert measuring 1 (very satisfied) towards 5 (very unsatisfied). Complete facts and figures are provided, and the basic value starts at 2.36 (SD = 0.566).

Locus of control

LOC (Locus of control) was evaluated on 10 items taking place on 5-point Likert scale measuring 1 (completely disagree) to 5 (completely agree) as per Rotter (1966). As provided by Caliendo et al. (approaching), nothing is excluded. Inside regularity of the residual nine-item construct is enough ($\alpha = .697$).

Control variables

There are two variables. First is the direction of the job-based system, including years of company term with a mean age of 2.67 (3-5 years) with S.D = 1.407, job change with a mean 3.21 (within 7-12 months), part-time (7%) and full time (93%), 62% employees have a permanent work contract, 34% contractual contract and 4% internee, monthly net income with a mean age of 3.81 with S.D = 1.671, and job confidence or job security (scale starts from very concerned ends at not concerned at all). Moreover, it is under consideration that either HR norm or a highly effective system, i.e. the synchronized grouping of different Human Resources processes, is more useful (Combs, Liu, Hall, & Ketchen, 2006). Next course describes person-based controls like female (53%) and male (47%), age (six categories: below 20, 21-30, 31-40, 41-50, 51-60 and above 60), ages of education with a mean age of 2.90 with S.D = 0.844, No. of children with a mean age of 0.97 and marital status (3 dummies).

4. RESULTS AND DISCUSSION

The correlation was not high enough to cause a problem of multi-collinearity (Pallant, 2011, 2013). As in demographics, the experience is highly correlated with age. However, experience is directly related to age, as with the passage of age, experience increases. Regarding correlations with the studied variable, Cronbach's alpha is a frequently used test of inner steadiness reliability. A value lesser than 0.6 is usually measured lowly, whereas within 0.7 is considered satisfactory, and values above 0.8 are considered worthy (Sekaran, 2003). According to this condition, altogether, variables were in an acceptable range. Performance appraisal, job satisfaction, Locus of control Cronbach's alpha ranges from 0.6 to 0.9. Therefore, the data provided could be considered reliable, and variables could be considered acceptable.

The above table of descriptive statistics depicts the highest mean from control variables is of monthly net income ± 3.81 with S.D of 1.097 and the mean of other variables are: Locus of control has a mean of ± 3.31 which is the highest one, Job satisfaction with ± 2.36 and Performance appraisal mean is ± 1.39 . The table further depicts significant correlation coefficients at $p < .05$ and $p < .01$ (two-tailed). The relationship between performance appraisal and experience is negatively correlated at $r = -0.209^{**}$ and is significant at $p < .01$, then Job satisfaction and performance appraisal are positively correlated at $r = .228$ ($p < .01$) and the link between LOC (locus of control) and job satisfaction or fulfilment is negatively correlated at $r = -.134$ and is insignificant. The

relationship between locus of control and performance appraisal is positively correlated at $r=.034$ but insignificant. There is a significant link between performance appraisal job satisfaction and locus of control.

Descriptive analysis

Table 1. Descriptive statistics and correlation

	Mea n	S.D	1	2	3	4	5	6	7	8	9
Age	2.81	1.09 7	-								
2 Gender	-	-	-.102	-							
3 Education	2.90	.844	-.112	.285*	-						
4 Income	3.81	1.67 1	.516**	-	.246*	-					
5 Tenure	2.67	1.40 7	.571**	-.043	.011	.435**	-				
6 Experienc e	3.36	1.74 9	.852**	-.116	-.003	.619**	.707**	-			
7 PA	1.39	.374	-	.118	.025	-.062	-.175*	-	(.851		
8 JS	2.36	.566	.188**	-	.072	-.062	-	-.209**	-	(.930	
9 LOC	3.31	.564	.176**	.176**	.053	.026	.058	-.076	.230**	.234**	.195**
			.053	.026	.058	-.076	.047	.029	.034	-.134	(.697

Note: N=214. PA, Performance appraisal; JS, job satisfaction; LOC, locus of control. Values in parentheses () are alpha coefficients.

* $p<.05$; ** $p<.01$.

Table 1 consists of means and standard deviations of the variables as well as their link. A primary finding of note is the positive link among performance appraisal besides job satisfaction. Performance appraisal, job satisfaction, Locus of controls Cronbach’s alpha measures 0.6 - 0.9, therefore, the data provided could be considered reliable, and variables could be considered acceptable. Formal Performance appraisal PAs and employee job satisfaction are mostly linked. LOC (Locus of control) has a relationship between performance appraisal PAs and dependent job satisfaction.

Performing performance appraisals has a positive effect on job satisfaction. This result supports Hypothesis 1 and 2. The results show that locus of control is an excellent relation between performance appraisal and job satisfaction. According to results, proper performance appraisal PAs highly affect employee’s overall job satisfaction. These outcomes helped earlier studies, i.e. workers' involvement, outcome, and targets, which are all together part of performance appraisals PAs, stay directly linked to employee’s job satisfaction (Judge et al., 2001; Patterson et al., 2004; Whitman et al., 2010; Ali et al., 2020). Compared to the earlier studies, this research practices a wide range of facts, providing regression analysis to determine the causal effect.

Table 2. Moderating effect of locus of control

		coefficient	p	BCCI	
				Lower	Upper
	Constant	-.2621	.7510	-1.8880	1.3639
Direct Effect	PA → JS	2.2991	.0001	1.1282	3.4699
Indirect Effect	LOC → JS	.6444	.0093	.1605	1.1283
	PA*LOC → JS	-.5861	.0010	-.9338	-.2384

Source: Author's calculations

Table 2 results demonstrate that the impact of performance appraisal on employee job satisfaction exists positive, and the relationship is highly significant ($p < 0.01$). The indirect outcome of LOC (locus of control) on employee job satisfaction is positive, too and statistically significant ($p < 0.01$). The effect of performance appraisal in the presence of LOC locus of control (moderator) on an individual's job satisfaction is negative and statistically significant ($p = 0.01$).

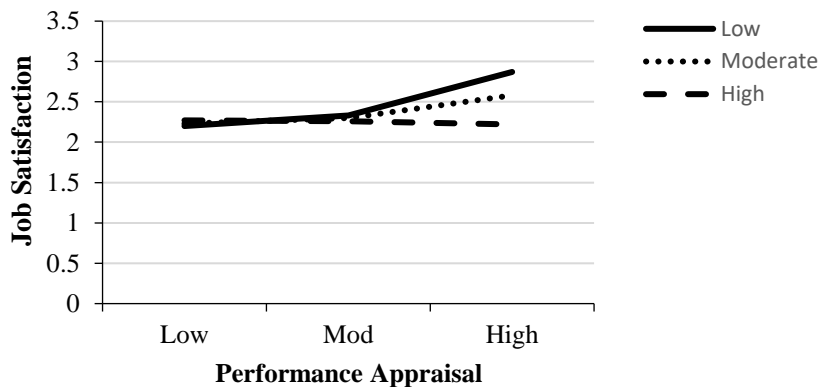


Fig. 2. Graphic Representation of the Moderating Effect of LOC

Those people whose locus of control is high, if their company is not performing performance appraisal, they are more satisfied. Those people whose locus of control is low, but that organization where performance appraisal performs highly, then that relation become reverse. As performance appraisal increases, persons with a high locus of control feel less satisfied with their jobs; however, people with a low locus of control feel more and more satisfied. When Locus of control is low, there are fewer changes in the relationship of performance appraisal and job satisfaction, and on the other side, when the locus of control is high, there are more changes in the relationship between performance appraisal and job satisfaction.

The single possible reason for our study is that the workers consider the appraisal or evaluation system helpful. Earlier studies back this concept provided effectiveness of the appraisal procedure, the conversation regarding job development is very important for it, worker contribution, agreement with performance assessment response, the targets are also directed connected with employee job satisfaction (Blau, 1999; Cawley et al., 1998; Jawahar, 2006; Sommer & Kulkarni, 2012). In addition, fair appraisals are considered precise, which gives an impression of fairness

and equality based are significant related factors reflect that they are directly related to employees' job satisfaction (Asif et al., 2017; Colquitt et al., 2001; Lau et al., 2008; Pettijohn et al., 2001; Selvarajan & Cloninger, 2012). Every employee has expectations regarding their contribution to the organization, and well-deserving individuals can feel dissatisfied or frustrated if they are not compensated accordingly for their success with salary elevations, gratuities, or increments.

The study provides the system that forms the Performance Appraisal-satisfaction relationship: In a formal performance appraisal process, managers provide their staff feedback about their performance. Providing results are considered by employees as an evaluation of their job. Even negative feedback is considered supportive; managers provide required guidelines, giving the impression that management has considered employee values. Therefore, acknowledgement has an important role in the system. The previous studies provide management comments, which are common components of appraisals with economic advantages and a significant reward system for how performance appraisals disturb workers' job satisfaction.

5. CONCLUSION AND POLICY IMPLEMENTATION

Performance appraisals are considered a helpful HR management instrument that workers recognize well. Its dependency on reliability study provides that PA is a major cause of job satisfaction. Results show that the unfairness of PA leads the way to difficulties with the appraisal process, which negatively affects job satisfaction. For that reason, managers should form the performance appraisal process with transparency and fairness. Therefore, companies must change this HR procedure in the work environment and management systems (Huselid & Becker, 1996; Zafar et al., 2021).

The company should also define objective indicators, and an accurate duration of appraisal time, in addition to practicing an appraisal form appropriate for the worker's responsibilities. Moreover, appraisers and appraisees must be educated through training and development in regard to objectives, targets, and impartial ratings in command to enhance the fairness of PA. These enhancements will result in PA's, improving employees' job satisfaction.

Effects for Human Resource managers within the context of effective appraisal processes developed. Therefore, appraisals must be related to monetary rewards. This requires that the system be known for the effectiveness of appraisals when preparing performance appraisal structures. Possibly assessment will give rise to unfulfilled desires. Therefore, it may be better to provide sometimes feedback with no incentives system.

The research consists of cross-sectional information; there are a few shortcomings also, which can be studied in future studies. First, we have no information on the nature of the appraisal. They are either an individual or collective ideas or a combination. The research found that results are based on the type of process, and it was identified how employees' job satisfaction is affected by it. Further research should focus on the basic drivers that affect employee job satisfaction and define fair targets using longitudinal data. These factors are highly effective in performance appraisal process. Furthermore, in future, the study must apply internal and external locus of control and

estimate the causal effects of performance appraisals related to monetary and non-monetary consequences.

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