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Satisfaction with a performance appraisal system in the Portuguese public sector: The importance of perceptions of justice and accuracy

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Abstract The present work aims at: (1) assessing whether the Portuguese public sector employees are (or are not) satisfied with their appraisal system; (2) dissecting the relationship between perceptions of justice and accuracy of performance appraisal and satisfaction with that appraisal. In order to attain the aforementioned objectives, we decided to conduct an exploratory empirical study, cross-cutting in nature, focusing on a population of 2247 individuals, from which we obtained 334 responses ($n = 334$). After statistical analysis of the data collected, with a descriptive and an inferential component, results point towards the fact that employees who have a better perception of justice and accuracy of performance appraisal tend to reveal greater satisfaction with it. However, in general terms, the elements of the sample considered the appraisal process as being unjust, inaccurate and were not satisfied with it.

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1. Introduction

The current Integrated System of Performance Management and Appraisal in the Public Sector, known as SIADAP, was established by Law no. 66-B/2007, of December 28. Very briefly, we may consider that this system has introduced individual appraisal for all levels (services, managers, workers), in a logic of management by objectives, and forms the basis of career progression and awards. To that end,

it integrates three subsystems, which operate in an integrated and consistent manner with the objectives set out within the scope of the planning system; objectives of the service management cycle; objectives set out in the mission statement of senior managers; and objectives set out to other managers and employees, namely:

- Subsystem of Performance Appraisal of Public Sector Services;
- Subsystem of Performance Appraisal of Public Sector Leaders;

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- Subsystem of Performance Appraisal of Public Sector Employees.

Moura (2012) posits that performance appraisal of the public sector, of its leaders and its employees is a critical tool for the attainment of a new culture for the Portuguese public sector, considering that only a demanding integrated appraisal model will detect imbalances and shortfalls of Portuguese public organisations, gear them towards achieving their goals and, simultaneously, engage all those who carry out their professional activity there.

Furthermore, this appraisal system is one of the most notable reforms in the Portuguese public sector of managerial inspiration, as it reveals the introduction of management by objectives in this sector, which can be considered as a switch matrix, by linking the goals to the results obtained, seeking to introduce a culture of merit and results appraisal, ceasing, thus, automatic and regular progressions based on seniority (cf. Madureira & Ferraz, 2010).

However, it should be noted that literature has revealed that reactions to performance appraisal and to the appraisal process have a significant impact on the overall effectiveness of the appraisal systems, as well as on their acceptance and validity (cf. Cardy & Dobbins, 1994; Cawley, Keeping, & Levy, 1998; Keeping & Levy, 2000; Kuvaas, 2011; Levy & Williams, 2004; Murphy & Cleveland, 1995). For example, Murphy and Cleveland (1995) establish that reactions are almost always relevant and an unfavourable reaction can condemn even the most carefully designed performance appraisal system.

This is the context of the present research study on the satisfaction of appraisees with a system of performance appraisal in the public sector, more exactly SIADAP. This study emerges after a gap in Portuguese literature has been detected: to the best of our knowledge, there is no scientific work focusing on this issue in the way that we will present hereafter.

But what is, specifically, the importance of a study that addresses satisfaction with a performance appraisal system, both in the public and in the private sector? It is very simple: several studies have concluded that the extent of the effect of performance appraisal on employee's attitudes and behaviours, such as professional performance, productivity, motivation or organisational commitment, derives from their satisfaction with that appraisal (cf. Cawley et al., 1998; Ilgen, Fisher, & Taylor, 1979; Kuvaas, 2006).

Therefore, the purpose of this study is to assess whether Portuguese public sector employees, whose performance appraisal derives from the application of SIADAP, are (or are not) satisfied with this appraisal system. To this end, we chose to carry out an exploratory empirical study, cross-cutting in nature, focusing on a population of 2247 individuals, from which we obtained 334 responses ($n = 334$), and a mix between 'descriptive research' and 'correlational research', considering the perspective followed by Carmo and Ferreira (2008).

Furthermore, and on the basis of Cook and Crossman's (2004) view, in literature the causes of satisfaction (or dissatisfaction) with performance appraisal have been attributed to a number of different reasons, hence it is essential to know them, given the influence of this satisfaction on other organisational variables, as referred above.

Only by knowing them may organisations increase this kind of satisfaction.

In this work we will not analyse, obviously, all possible causes. The goal is to dissect the relationship between perceptions of justice and accuracy of performance appraisal and the satisfaction felt with that appraisal in the context of SIADAP, insofar as a 'good' performance appraisal system is generally defined as the one that provides accurate, complete and just appraisals of each individual's performance (cf. Murphy & Cleveland, 1995).

After defining of the goals of our research study, we may assert that the present work is organised around four main moments: theoretical construction and development; methodological framework of the empirical study; analysis and discussion of results; main conclusions attained.

2. Theoretical underpinnings

Literature has revealed that the effects of performance appraisal on employees' attitudes and behaviours may derive from their satisfaction with that appraisal. For example, Kuvaas (2006) reported that satisfaction with performance appraisal revealed by the appraisees determines their performance at work. Moreover, other studies have shown that employee's satisfaction with performance appraisal affects other variables, such as productivity, motivation and organisational commitment (cf. Cawley et al., 1998; Ilgen et al., 1979).

The importance of satisfaction with performance appraisal on the part of employees and its preponderance regarding other organisational variables is established from the outset, as was seen in the previous paragraph. It is, thus, necessary to dissect the causes of this satisfaction (or dissatisfaction).

One of the directions followed by research studies in this area was the verification of the fact that the expressed dissatisfaction with the performance appraisal system may be related to organisational justice. And the result attained by these studies was positive: the relationship between organisational justice and satisfaction with performance appraisal has already been understood.

In this regard, Cook and Crossman (2004) state that literature suggests that individuals will only be pleased with the performance appraisal process if it meets the criteria of 'justice', whereas McFarlin and Sweeney (1992) have found that perceptions of justice influence different attitudes towards performance appraisal, including satisfaction with that appraisal. Similar findings have been attained by Tang and Sarsfield-Baldwin (1996), who found, in their study, evidence that the elements of organisational justice are important in the prediction of satisfaction with performance appraisal.

As an aside, a short reference to the perception of justice is made. In synthetic terms, judgments about justice are based on workers' individual expectations and on the comparison of their results with those obtained by others within the organisation (Cook & Crossman, 2004). It should also be referred that organisational justice encompasses several dimensions, insofar as the different research studies on this topic have clearly demonstrated that human beings, in an organisational context, have clear concerns about the

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