The Relationship between Developmental Performance Appraisal, Organizational Support, Organizational Commitment and Task Performance: Testing a Mediation Model

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Abstract:
The goal of the present research was to examine how organizational support and organizational commitment influence the relationship between developmental performance appraisal and the employees’ task performance. A number of 217 formal employees working at Gas Company in Gilan, Iran with a degree of diploma and beyond were selected to answer a questionnaire in a stratified random manner. The research method was a cross-sectional survey type (structural equation model). Research instruments adopted in this study included Questionnaire of Developmental Performance Appraisal (Kuvaas, 2007), perceived Organizational Support scale (Rhoades et al., 2001), Organizational Commitment Questionnaire (Balfour and Wechsler, 1996), as well as Task Performance Questionnaire (Williams and Anderson, 1991). To evaluate the suggested model, structural equation modeling through PASW Statistics22 and Amos Graphics21 software package were used. Moreover, the indirect effects were tested by Bootstrap procedure. The results revealed that the research suggested model enjoyed a good fitting with data. The findings do not support direct path of developmental performance appraisal and task performance. The research findings showed that indirect path of developmental performance appraisal, organizational commitment and organizational citizenship behavior was meaningful, while the indirect path of developmental performance appraisal, organizational support and task performance were not supported. Eventually, Implications and directions for future research are discussed.

Keywords: Developmental performance appraisal, organizational support, organizational commitment, task performance, mediation effects

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Introduction:

Job performance as the most general form of productive behavior in organizations, has drawn attention of many organizational and management psychologists. According to Campbell (1990), job performance represents behaviors employees engage in while at work that contributes to organizational goals. High job performance leads to increased productivity as well as organizations service quality (Spector, 2002). High levels of performance are often associated with positive tangible outcomes such as merit increases, cash bonuses, promotional opportunities, and the like. Performing well may also lead to intangible rewards such as praise and admiration from others, and a heightened sense of personal accomplishment and self-efficacy (Jex and Beritt, 2008 p. 169). Job performance contains many different dimensions, two major categories of job performance can be found across models: in-role (task) performance and extra-role (contextual) performance (Borman and Motowidlo, 1997; Conway, 1999). In-role performance, which we refer to as task performance implies on the technical aspects of an employee’s job. It reflects how well an individual performs the duties required by the job (Borman and Motowidlo, 1997, Christian et al., 2011). This behavior has been characterized as non-discretionary and thus as not providing currency in a social exchange relationship (Snape & Redman, 2010). The reason task behaviors have positive contribution values is either that they help the transformation of raw materials into goods or services, or they directly service the organization's technical core and improve its capability to produce accordingly (Motowildo et al., 1997).

During recent years, researchers of human resources have conducted numerous studies regarding the relationship between human resource management (HRM) practices and outcomes at the level of individuals, namely employees’ perception of effects of HRM system on their attitudes and behaviors (Kuvaas, 2007; Kehoe and Wright, 2013; Trumbly et al., 2010; Alfez et al., 2013). Because of the strategic importance of human resource development and alignment of employees’ knowledge, capabilities and skills as a competitive advantage source (Toracco and Swanson, 1995), the effects of developmental HRM practices on employees’ task performances have been examined in the present research.

Influence of developmental performance appraisal on task performance

Performance appraisal is one of the most important sub-systems of developmental HRM practice across organizations, the utilization of which has been vastly increased nowadays (Boswell and Boudreau, 2000; Levy and Wiliams, 2004). Performance appraisal has been defined as a process of identification, assessment and development of individuals’ performances for achieving individual and organizational goals. A majority of researchers and authors have suggested two major aims to employees’ performances appraisal; the first of which is administrational which is performed to assess their performances for decision making such as allocating reward, increasing salary, giving a job promotion, transmission or decreasing their ranks. The second goal is developmental by which the employees’ strong and weak points’ determined, an opportunity for performance feedback is created for them and eventually an exchange with administrators is facilitated (Cleveland et al., 1989; Tziner, et al.,
2000; Rayan et al., 2005). The ultimate goal of performance appraisal is to improve performance at the level of individuals and organizations consequently (Sherman et al., 2000; Rayan et al, 2005).

With the importance of performance appraisal given, several organizations have declared their dissatisfaction with the existing performance appraisal system and hold the view that a majority of performance appraisal systems fail to create motivation among employees not leading them through development (Fletcher, 2001, 2002; Kuvaas, 2007). In Felcher’s view (2001), such feeling of discontent may serve that performance appraisal system had failed to be as a mechanism for individuals’ improvement. One crucial factor in illustrating the issue is that performance appraisal systems overemphasize the evaluating aspect (administrative application) of evaluation, underestimating their developmental applications. Consequently, the research trend and implementation of performance appraisal has moved away from evaluation and psychometrics issues toward motivational and developmental themes (Levy and Williams, 2004; Kuvaas, 2007; Felcher, 2001; Milward, 2005).

In spite of the fact that individuals’ performance improvement and development is considered as an important goal of performance appraisal (Sherman et al., 2000; Rayan et al., 2005; Youngcourt et al., 2007; Kuvaas, 2007), few research has been conducted regarding developmental performance appraisal which results in individuals’ motivation and improvement (Felcher, 2001; Boswell and Boudreau, 2002; Kuvaas, 2007). Developmental performance appraisal is related to any attempt made to improve individuals’ attitudes, experiences and skills leading to their performance improvement and potentially creates motivation and commitment at the workplace (Kuvaas, 2007). Robert and Reed (1996) have introduced three components for developmental performance appraisal involving goal-setting, participation and performance feedback. In the area of performance, goal-setting refers to the extent to which employees perceive their performance goals as being clear, challenging, relevant and understandable. Performance feedback refers to the extent to which employees experience appreciation for performance feedback being perceived as clear, relevant and understandable.

By representing fundamental and important mechanisms, such perceptions illustrate how goal establishment and feedback, as key activities in the field of developmental performance appraisal across organizations, lead to employees’ attitude and performance improvement (Kuvaas, 2007).

Numerous researches have been conducted on the potential role of goals of developmental performance appraisal in employees’ attitude and performance improvement. Regarding this, a meta-analysis study has been done by Jawahar and Williams (1997), in which they examined data collected from a number of 22 studies and found that administrational appraisal was done more lenient than developmental appraisal, with the first as having less precision. Almost 70% of the participants in the study done by Cleveland et al., (1989) asserted that the appraisal made with a goal of developmental application exerted more influence. As a matter of fact, many of the respondents preferred developmental usage such as career planning, education and development over administrative usage. Similarly, Dipboye, and de Pontbriand, (1981) showed that employees accept appraisal system and feel satisfied with it when it emphasizes their development and performance improvement. Based on Boswell and
Boudreau (2000, 2002), whenever the developmental goals of performance appraisal are emphasized, employees’ feelings will be improved in order to do appraisal. Moreover, the research done regarding 360° appraisal has shown that the evaluation made with an aim of development has been considered as more positive from the participants’ perspectives. On the basis of theory and research regarding performance appraisal, the developmental component of performance appraisal is regarded as a positive predictor of satisfaction with performance appraisal (Cleveland et al., 1989; Pettijohn. and d’Amico, 2001). From the viewpoint of the authorities, whenever employees accept appraisal system, feel satisfied with it and performance appraisal process is accurately implemented, such system will influence their development and performance improvement (Kuvaas, 2007; Pettijohn. and d’Amico, 2001; Boswell and Boudreau, 2000). On the basis of the issues mentioned above, the following research assumptions can be stated:

**Hypothesis 1:** Perceived developmental performance appraisal is positively related to task performance.

**The mediating influence of organizational support, organizational commitment in relationship between developmental performance appraisal and task performance**

Although empirical findings have generally supported the notion that HRM practices are associated with positive individual and organizational outcomes, more recently commentators have sought to explore the mechanism through which HRM practices are linked to individual and organizational outcomes. Moreover, the theoretical model that depicts the relationship between HRM practices and performance introduced by Guest (1997) suggests that employee perceptions of HRM practices lead to outcomes which are attitudinal, which in turn lead to behavioral outcomes such as OCB and performance (Alfez et al., 2013). As mentioned, Guest (1997) suggested that attitudinal variables link HRM practices with employee behaviors. Two such attitudinal variables that have been explored in the extant literature are organizational support and organizational commitment.

Perceived organizational support (POS) refers to employees’ perception of the organizations’ commitment to them and reflects their beliefs about the extent to which the organizations value their contributions and care about their well-being (Eisenberger et al., 1986). Social exchange theory suggests that workers who perceive a high level of organizational support will feel an obligation to repay the organization through positive attitudes and appropriate behaviors (Eisenberger et al., 1990). Previous research suggests that perceived organizational support can mediate the relationship between human resource management practice and work performance.

Allen et al. (2003) and Meyer and Smith (2000) supported the mediation role of organizational support in the relationship between HRM practice and organizational commitment. However, Snap and Rodman (2010) failed to represent any evidence on the mediatory effect of organizational support in the relationship among HRM practice, citizenship behavior and performance. Wayne et al., (1997) found the positive relationship both between promotion and developmental experiences and discussed that development opportunities are sings of the fact that organizations value workers’ contributions. A developmental HR practices may be viewed as signaling intent for long-term investment in
employees that obligates them to respond with discretionary role behavior (Sun et al., 2007 and Alfez et al., 2013). Eventually, on the basis of a meta-analysis study, Rhoades et al., (2001) supported the relationship between HRM practice and perceived organizational support. They also support a positive relationship between POS and different measures of performance. Consequently, the following hypothesis can be made: 

**Hypothesis 2:** The relationship between perceptions of developmental performance appraisal and task performance is mediated by POS.

A common agreement existed in the literature of organizational commitment is that a high level of performance and productivity is achieved whenever workers are committed to their organizations, feel proud of the organization members and believe in the organization’s values and goals (Balfour and Wechsler, 1990). Such viewpoint has been expressed on the basis of Social Exchange Theory. It is argued that employees gain advantage from organizations, they feel committed to repay for it and attempt to compensate for the benefits gained from organizations (Kuvaas, 2008).

Several studies have supported the positive relationship between HRM practice and organizational commitment (Meyer et. al.,1989; Meyer and Smith, 2000; Paul and Ananteraman, 2004; Rikita, 2002). For instance, Kuvaas (2008) failed to provide necessary experimental support for the relationship among developmental HR practices, turnover intention and work performance with their being mediated by affective commitment. Meyer and Smith (2000) made an attempt to examine the relationship between developmental HR practice (e.g. training & performance evaluation and career development) and organizational commitment showed that developmental HR practice was meaningfully correlated with normative and affective commitment, while there was no meaningful relationship between continuance commitment and developmental HR practice.

On the other hand, research has shown that high levels of organizational commitment is correlated with such positive outcomes as job satisfaction, work performance, higher motivation and a less tendency to leave work. Somers and Birnbaum (1998) revealed that affective commitment was positively correlated with task performance while there was a negative relationship between continuance commitment and task performance. Balfour and Wechsler (1991) attempted to examine antecedents and outcomes of organizational commitment (performance and productivity). The results showed that there was a positive relationship between identification, internalized commitment and in-role behaviors. Generally, previous research shows that developmental performance appraisal, both directly and through some attitudinal variables involving organizational commitment as well influence employees’ task performance. Consequently, the following hypothesis can be developed:

**Hypothesis 3:** The relationship between perceptions of developmental performance appraisal and task performance is mediated by organizational commitment.
Research methodology:
Regarding its applied goal and concerning data collection method, the present research was a cross-sectional survey and of structural equation model type (Sarmad, et al., 1997). The research variables included developmental performance appraisal as an independent variable, task performance and citizenship behavior as dependent variables as well as organizational support and commitment as mediation variables. The statistical population involved all formal employees working at Gas company in Gilan province, Iran who were selected using stratified random sampling method (being proportional to sample size) held diploma degree and beyond. The sample size was estimated to 240 employees using the Cochran’s sampling formula. To reach more confidence, a number of 250 questionnaires were distributed, among which a number of 217 questionnaires completed by research participants were collected, with the questionnaire return rate being .87.

Measures

Developmental performance appraisal. Perceptions of Developmental performance appraisal were measured with a ten item scale by Kuvaas (2007). The alpha reliability coefficient for scores on these items was .94. Two sample item were “Provides me with information about organizational goals? Feedback I receive agrees with what I have actually achieved?” The respondents used a 5-point Likert-type scale to indicate their agreement (1 = strongly disagree and 5 = strongly agree) with each of the items in these scales (α = .93).

Perceived organizational support (POS). Employees completed a short version of Perceived Organizational Support scale (Rhoades et al., 2001). We used the eight items of the POS scale. Employees indicated their degree of agreement to these items on seven-point ranging from "strongly disagree" (1) to "strongly agree" (5) (α = .83).

Organizational Commitment. Organizational commitment was measured using the six item OCS developed by Balfour and Wechsler (1996). Example items include “What this organization stands for is important to me” and “I feel like ‘part of the family’ at this organization.” The respondents used a 5-point Likert-type scale to indicate their agreement (1 = strongly disagree and 5 = strongly agree) with each of the items in these scales (α = .84).

Task performance. Supervisors were asked to complete the seven-item scale developed by Williams and Anderson (1991). Supervisors indicated the extent to which they agreed with
statements about their subordinates’ performance. The respondents used a 5-point Likert-type scale to indicate their agreement (1 = strongly disagree and 5 = strongly agree) with each of the items in these scales (α= .87).

Data analysis strategy:
To assess the research suggested model, the structural equation model and Maximum Likelihood method via PASW statistic22 as well as Amos Graphics21 software package were used. To determine the fit between the suggested model and collected data, such as fit goodness indices as Chi square, CMIN/DF, CFA, GFA,TLI, IFI & RMSEA were used. In order Mediation Effects testing regarding, Bootstrap procedure together with Preacher and Hayes’ (2004) Macro Program were adopted.

Research findings:
Mean and standard deviation and correlation coefficients among variables were calculated via PASW statistics 22 software package, the results of which have been shown in table 1. Mean and standard deviation scores for the Variables were obtained, respectively as follow:

Table 1: Means, Standard Deviations, Correlation Matrix of Variables

<table>
<thead>
<tr>
<th>variables</th>
<th>Mean</th>
<th>SD</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>1- Developmental</td>
<td>3.68</td>
<td>0.69</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>performance appraisal</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2- Perceived</td>
<td>3.1</td>
<td>0.64</td>
<td>0.56**</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>organizational support</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3- Organizational</td>
<td>3.8</td>
<td>0.68</td>
<td>0.61**</td>
<td>0.62**</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Commitment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4-Task performance</td>
<td>4.2</td>
<td>0.57</td>
<td>-0.04</td>
<td>0.04</td>
<td>0.2</td>
<td>-</td>
</tr>
</tbody>
</table>

P <0.01/ ** P <0.05/ *

The above table showed that developmental performance appraisal was positively and meaningfully correlated with employee organizational support and commitment, while it had a negative and non-significant relationship with employees Task performance. Moreover, organizational support and organizational commitment had a positive & non-significant relationship with Task performance.

Table 2: fitness indices of research models

<table>
<thead>
<tr>
<th>Model</th>
<th>X²</th>
<th>df</th>
<th>X²/ df</th>
<th>CFA</th>
<th>GFI</th>
<th>NFI</th>
<th>TLI</th>
<th>IFI</th>
<th>RMSEA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Structural</td>
<td>6.4</td>
<td>5</td>
<td>1.3</td>
<td>0.99</td>
<td>0.99</td>
<td>0.98</td>
<td>0.99</td>
<td>0.97</td>
<td>0.03</td>
</tr>
<tr>
<td>Model</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>
To evaluate the research suggested model, the structural equation model together with Amos Graphics21 software package were used. Indices of fitness between the suggested models and data have been reported in table 2. Concerning the research suggested model, the ratio of Chi square over degree of freedom was lower 3. The extent of RMSEA was obtained less than 0.1. The extent of the indices GF, NFI, IFI & CFI were obtained near 1.

![Figure 2: Path Coefficients in the research suggested model](image)

Path coefficients in figure 2 represent a confirmation of the direct paths of developmental performance appraisal with organizational support and organizational commitment as well as the path of organizational support and commitment towards employees’ Task performance. Figure 2 shows the path coefficients in the research suggested model. However, such coefficients don’t support the direct paths between developmental performance appraisal and Task performance. To test indirect effects and to determine the significance, Bootstrap procedure (Preacher and Hayes, 2004, 2008) was used. Results of indirect effects have been presented in table 3.
Table 3: Results of Bootstrap Test for analysis of indirect effects

<table>
<thead>
<tr>
<th>Paths</th>
<th>Confidence Intervals</th>
<th>SE</th>
<th>Bias</th>
<th>boot</th>
<th>Data</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Low</td>
<td>Upper</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Developmental PA → POS</td>
<td></td>
<td></td>
<td>0.04</td>
<td>0.04</td>
<td>0.04</td>
</tr>
<tr>
<td>Task performance</td>
<td>-0.03</td>
<td>0.12</td>
<td>0.03</td>
<td>-0.0002</td>
<td>0.04</td>
</tr>
<tr>
<td>Developmental PA → commitment</td>
<td></td>
<td></td>
<td>0.04</td>
<td>0.04</td>
<td>0.04</td>
</tr>
<tr>
<td>PA</td>
<td>0.04</td>
<td>0.12</td>
<td>0.04</td>
<td>0.0007</td>
<td>0.04</td>
</tr>
<tr>
<td>Task performance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The confidence interval for the first paths in table 3 represent the existence of zero at this interval, thus rejecting the indirect relationships in these paths (Developmental PA to POS and Task performance). While the confidence interval for the path (developmental performance appraisal to organizational commitment and Task performance) in table 3 represents non-existence of zero at this interval, thus confirming the indirect path. Regarding this interval, the confidence level was 0.95, with the number of resampling being as 5000.

Results:

Several models of HRM practices suggest that such practices exert their influences on employees’ behaviors and performances through affecting their attitudes (Bagozi, 1992; Guest, 1997, Alfez et al., 2013). In order for performance appraisal to positively influence employee behavior and future development, employees must experience positive appraisal reactions (Murphy, and Celevland 1995, Kuvaas, 2007). Thus, there is general consensus among PA researchers and practitioners that assessment of appraisal reactions is important (Keeping and Levy, 2000, Fletcher, 2002). The present research was conducted with an aim of examining the mediation role of organizational support and organizational commitment in the relationship between developmental performance appraisal and Task performance among Gas company employees in Gilan, Iran. The research findings supported the mediation role of organizational commitment in the relationship between developmental performance appraisal and Task performance. Such research results were congruent with those of done by Yung (2012) and Kehoe and Wright (2013), in which the mediation role of affective commitment in the relationship between HRM practices and employees’ citizenship behavior was supported. Thus, it is suggested that, in order to develop Task (in-Role) performance at organizations, the policy-makers should implement developmental performance appraisal in such a way that it can increase employees’ organizational commitment in the favor of organizations. Moreover the research findings did not support the mediation role of organizational support in the relationship between developmental performance appraisal and Task performance. These findings were congruent with those of done by Kuvaas (Kuvass, 2007; Kuvaas, 2008). Non-existence of the mediation relationship may be due to lack of any significant relationship between developmental performance appraisal and employee Task performance (returning to
In explaining why no direct, significant correlation was obtained between developmental performance appraisal and employee task performance, Kuvaas (2007) asserted that employees with a strong autonomy orientation and an internal locus of control are less affected by external interventions such as goal setting and appraisal feedback. From his perspective, whenever employees experience performance appraisal as a controller, which in turn could have undermined their need for autonomy and therefore adversely affected performance. Since autonomy orientation is the strongest predictor of job performance, those employees with a high performance level may assume that a great amount of time and energy is requested for providing understandable, relevant and clear goals and feedback; thus, they may negatively react to it. Based on Kuvaas (2007), the findings express that developmental PA exerts a negative influence on the employees with the best performers, which may be particularly critical for knowledge-based organizations with few management levels and high levels of autonomy for individual employees.

In addition, some reasons can be stated in clarifying the lack of the relationship between developmental performance appraisal and employee task performance in the present research. First, at the time of judging others’ performances, people make use of some judgments which are not free from bias in nature (Spector, 2002; Decenzo and Robbins, 1996). Regarding that the supervisors gave all employees’ performances high scores (refer to the mean and standard deviation of task performance in table 1), these results can be illustrated on the basis of Leniency Error Theory (Tziner and Murphy, 1999). Based on this theory, evaluators tend to give all individuals desirable scores. Moreover, since employees’ performance appraisal causes some conflict and opposition between administrators and employees, leading to the employees’ exhibiting some deviant behaviors, supervisors treat them leniently, giving them high scores in order to prevent such conflicts (Spector, 2002; Decenzo and Robbins, 1996).

Along with this issue, approximately 90 years ago, Thorndike (1920 cited in Mount et al., 1998) observed that whenever administrators evaluate their employees’ performances, the correlation between dimensions of work performance was higher than what was in reality. The studies conducted on this issue have shown that the effects of performance appraisal method are one the most major sources of error in rating performances. Moreover, such results can be clarifying on the basis of Arvey and Murphy viewpoints (1998) regarding the effects of context on rating of employee performance. They suggest that researchers should consider the rating context before attempting to analyze or evaluate the effectiveness, accuracy of performance ratings. Cleveland and Murphy (1992) analyzed performance appraisal as goal-oriented behavior and suggested that if the goals pursued by raters were examined more closely, behaviors that are typically treated as rating errors (e.g. giving high ratings to most subordinates) would be seen as adaptive responses to forces in the rating environment. However, such interpretations should be more carefully examined in future research on performance appraisal. Such implications encourage us to continually examine employee attitudes in the relationship between developmental performance appraisal and employees’ work performance.

With regard to the results obtained in this study and with the direct relationship between of
developmental performance appraisal and employees’ task performance not being supported, it seems that despite the fact that several theories have introduced developmental performance appraisal as some crucial factors in influencing employees’ performances in organizations, regarding the statistical sample examined in this research, developmental performance appraisal has failed to be a determiner of employees’ task performance. Regarding the theoretical framework discussed in the present research, it is suggested that, in addition to performance rating done by supervisors, employees’ performances be evaluated through colleagues’ ratings as well as self-report, thus their results can be compared. This research has some limitations. The first limitation is that in this research, self-report questionnaires have been used for assessment of developmental performance appraisal as well organizational commitment, and regarding that one natural feature of such questionnaires is respondents’ idea reflection and their personal perceptions of questions, their ideas may not completely express reality about them (Podsakoff and Organ, 1986, Donaldson and Grant-Vallone, 2002). Moreover, concerning rating employee performance, as explained before, it seems that managers are not qualified enough to evaluate employee performance. Accordingly, future research should take such limitations into account in an appropriate way. Seemingly, the above-mentioned limitations can be eliminated to some extent through teaching managers how to treat errors occurs in evaluating employee performance and to make use of multiple rating (self-report, administrators & colleagues).

One other limitation of the present research is that, concerning research methodology (cross-sectional study) thus inferring causal relationship, similar to what is existed in experimental research, is not logical. Hence, experimental studies were needed to examine causality regarding the relationships under study in this research. Other limitation was that the majority of sample group included men. Thus, different results may be reached in female groups.

Reference:


