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# Employee Attitudinal Effects of Perceived Performance Appraisal Use

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## **Keywords**

appraisal, performance, employee, PA, justice, study, salary, perception, attitude

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WORKING PAPER SERIES

# Employee Attitudinal Effects of Perceived Performance Appraisal Use

John W. Boudreau  
Wendy R. Boswell

Working Paper 97 - 14



## **Employee Satisfaction with the Performance Appraisal and the Appraiser: The Role of Perceived Appraisal Use**

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This paper has not undergone formal review or approval of the faculty of the ILR School. It is intended to make results of the Center research available to others interested in preliminary form to encourage discussion and suggestions.

### **Abstract**

This research investigates how employee perceptions of performance appraisal use relate to employee satisfaction with the performance appraisal and with the appraiser—the employees' immediate supervisor. Employee perceptions that appraisals were used for development positively associated with both attitudinal variables, after controlling for justice perceptions, performance, and demographics. Perceptions of PA use for evaluation did not show a significant relationship with either employee attitude. Implications of these findings are discussed.

## **Employee Satisfaction with the Performance Appraisal and the Appraiser: The Role of Perceived Appraisal Use**

Research has been conducted on numerous facets of performance appraisals (PA) including psychometric issues, rater/ratee characteristics, cognitive processes, rater training, and appraisal fairness (Bretz, Milkovich, and Read, 1992). This study investigates one issue in particular, the uses of PA. How PAs are used has been shown to influence rating behavior and outcomes (e.g., Williams, DeNisi, Blencoe, & Cafferty, 1985; Zedeck & Cascio, 1982) and be an important predictor of employee attitudes towards their supervisor, the job, and the performance appraisal process (Meyer, Kay, & French, 1965; Prince & Lawler, 1989). In Meyer et al.'s (1965) study, for example, researchers proposed that conducting salary discussions during the annual performance review interfered with the constructive discussion of plans for future performance improvement. However, in the first empirical test of the Meyer et al. (1965) study, salary discussion was found to have either no impact or a slightly positive impact on employee attitudes (Prince & Lawler, 1986). Thus, how PAs are used has developed as an area of interest, yielding mixed results and conclusions.

Not only has previous research shown that appraisals are used in organizations for multiple purposes (Cleveland, Murphy, & Williams, 1989; Ostroff, 1993), it has been suggested that purposes often conflict (Cleveland et al., 1989; Meyer et al., 1965; Ostroff, 1993). This conflict may prevent the appraisal process from attaining its full usefulness to the organization, perhaps even contributing negatively to individual behavior and organizational performance. One objective of this study was to determine how employee perceptions of different PA use relates to their attitudes. Since previous research has shown PA purpose affects rating processes and outcomes (Murphy, Balzer, Kellam, & Armstrong, 1984; Ostroff, 1993; Williams et al., 1985) as well as accuracy of the rating (Murphy, Garcia, Kerkar, Martin, & Balzer, 1982), it is conceivable that employee attitudes may vary depending on perceptions of how the PA is used.

Previous research has relied on PA administrators (e.g., human resource managers) to provide information regarding how the appraisal is used (Cleveland et al., 1989; Ostroff, 1993). As suggested by Bretz et al. (1992), these respondents may be describing the PA system as intended instead of the actual practice. An alternative approach is to investigate the appraised individuals' perceived PA use. If people differently perceive PA purposes as suggested (Balzer & Sulsky, 1990; Ostroff, 1993), then attitudes may vary depending on that perception. For

example, how a PA is used may signal to an employee their value and/or future within the organization. In addition, appraisal outcomes and behaviors such as accuracy, strategy, or information utilization are often the focus when PA use is investigated (e.g., Ostroff, 1983; Williams et al., 1985; Zedeck & Cascio, 1982), but only limited research has looked at employee reactions (Prince & Lawler, 1986). In the Prince and Lawler study, salary discussion during the appraisal positively associated with employee attitudes (e.g., PA satisfaction and utility). The present research adds to our understanding of the influence of PA use by investigating the relationship between employee perceptions of PA use and employee attitudes. We investigate PA through more general perceptions, beyond only the salary discussion. We also focus on two attitudes – satisfaction with the appraisal and the appraiser.

### **Theory and Hypotheses**

In the present study, two typical PA uses were examined—evaluative and developmental. The evaluative function includes the use of PA for salary administration, promotion decisions, retention/termination decisions, recognition of individual performance, layoffs, and the identification of poor performance. This is similar to Ostroff's (1993) conceptualization of the administrative PA purpose. Cleveland et al. (1989) contend that evaluative functions all involve between-person decisions. Developmental functions include the identification of individual training needs, providing performance feedback, determining transfers and assignments, and the identification of individual strengths and weaknesses. These are all proposed to encompass within-person decisions (Cleveland et al., 1989).

#### Perceived Evaluative Use and Appraisal/Appraiser Satisfaction

Previous research has found that the evaluative component of PA is an important aspect of the appraisal process and is a positive factor if it strengthens appraisal-reward contingencies (Cleveland et al., 1989; Prince and Lawler, 1986). Moreover, one prior study investigating PA use for salary administration, showed a positive effect of this form of evaluative use on employee satisfaction with the PA (Prince & Lawler, 1986). However, it has been proposed that evaluation is often of a negative nature (Blau, 1964; Meyer et al., 1965), while development is more likely to be viewed positively because of its futuristic and helpful focus (Milkovich & Boudreau, 1997). For this present study evaluative PA use is conceptualized as going beyond mere salary discussion and instead defined to include determination of poor performers, layoff and termination decisions, and promotion decisions. This is consistent with Cleveland et al.'s (1995) representation of between-person uses. Since many of these PA uses are of a negative nature (e.g., determine poor performers, layoff decisions), perceived use for evaluation may negatively associate with employee attitudes such as PA satisfaction.

Salary increases are also evaluative, though an increase is arguably a positive outcome. However, even salary increases may lead to negative feelings if the increase is perceived as inequitable or minimal. Literature on pay satisfaction indicates that perceived pay relative to others relates to employee attitudes regarding pay-systems, appraisal systems, and jobs (e.g., Lowery, Petty, & Thompson, 1995; Miceli, Jung, Near, & Greenberger, 1991). The performance-reward contingency (e.g., the relationship between performance ratings and whether a wage increase was received) may influence the reaction to evaluation. A weak performance-reward contingency would likely result in a negative overall response to evaluative PA. Moreover, the performance-reward contingency may moderate the relationship between perceived evaluative use and feelings about the appraisal such that those employees who receive positive outcomes will be pleased with evaluative PA use and those that receive negative outcomes will not. Given the mixed findings regarding the relationship between evaluative PA use and employee appraisal satisfaction, a non-directional hypothesis is offered.

Hypothesis 1: Employee perceptions that PA is used for evaluation will associate with employee satisfaction with the PA.

Evaluation may create negative feelings toward the person providing the evaluation. If evaluation causes the employee to feel defensive, criticized, or discouraged as previous research on evaluation suggests (Meyer et al., 1965), this may spill-over to the person providing that PA. On the other hand, evaluations which result in pay increases, promotions, or other positive outcomes would counter this effect. Thus, the relationship between perceived evaluation and appraiser satisfaction could depend on the perceived outcomes and fairness of the PA. The influence of evaluation in general is again exploratory and, therefore, a non-directional hypothesis regarding the evaluative PA use/satisfaction with the appraiser relationship is offered.

Hypothesis 2: Employee perceptions that PA is used for evaluation will associate with employee satisfaction with the appraiser.

#### Perceived Developmental Use and Appraisal/Appraiser Satisfaction

Development provided by the immediate supervisor has been shown to be an important and common use of PA (Cleveland et al., 1989; Meyer et al., 1965). Specifically, nearly 70% of the respondents in Cleveland et al.'s study reported that appraisals at least moderately affected within-person comparisons (i.e., developmental use). Prince and Lawler (1986) found that the

constructs “work planning and goal setting” and “discuss performance attributes” exerted a positive influence on employees’ satisfaction with and perceived utility of the PA. The construct “career development” showed little influence on PA satisfaction. However, Prince and Lawler (1986) pre-dated Cleveland et al. (1989) and so did not include other, more specific aspects of development included by Cleveland et al., such as identification of individual training needs and the determination of transfers and assignments.

In the present study, the developmental PA component includes dimensions proposed by Cleveland et al.’s (1989) delineation of within-person decisions (or Ostroff’s 1993 feedback and development category). Practitioner articles have argued the importance of developmental feedback in order for employees to better understand how they can improve within the organization (Gaines, 1994; Martin, 1992; Stein, 1996; Yaney, 1988). Employees that perceive development in the PA may see this as a signal of their value and/or future with the company, resulting in positive affect associated with this feedback. Based on previous theory and research on the importance of development to the PA process (e.g., Cleveland et al., 1989) as well as Prince and Lawler’s (1986) finding of partial support for the development component of appraisal as a positive predictor of PA satisfaction, we hypothesize:

Hypothesis 3: Employee perceptions that PA is used for development will positively associate with employee satisfaction with the PA.

Employees’ feelings regarding the PA seem likely to extend to employees’ feelings toward the person appraising them. Although previous research has not specifically investigated this relationship, it is conceivable that those employees provided development will feel better about the appraiser. The positive, helping aspects of developmental feedback may enhance how employees view the person providing the development. Thus,

Hypothesis 4: Employee perceptions that PA is used for development will positively associate with employee satisfaction with the appraiser.

Other variables may influence employee attitudes toward the appraiser and the appraisal. First, attitudes toward the appraisal and appraiser may depend on perceptions of fairness. Fairness perceptions are usually categorized as procedural (means) or distributive (ends) justice (see Greenberg, 1990 and 1986 for discussion). Previous research has shown that perceptions of justice are indeed positive predictors of employee attitudes toward the

appraisal process (e.g., Tang & Sarsfield-Baldwin, 1996). In the present research, both procedural and distributive justice were controlled in order to test the relationship between PA use and the attitudinal variables over and above the influence of justice perceptions.

Second, previous research has shown that performance level may affect some of the dependent variables assessed in this study (Bernardin & Abbott, 1985; Burke, Deszca, & Weitzel, 1982). The relationship between PA use and PA satisfaction has been strongest for low performers, where low performers were more satisfied when salary discussion was included in the PA compared to when it was not (Prince & Lawler, 1986). On the other hand, it is conceivable that better performers (or those given a wage increase) are happier with the appraisal and they are also the employees provided development. It may be more pleasant to discuss development with those whose performance is "on track." Likewise, those employees at the lower performance level (and perhaps not given a wage increase) may be unhappy with the PA and also be provided only evaluation, because it is unpleasant to discuss remedial development. In effect, performance may drive both PA use and attitudes. Thus, controlling for PA rating may clarify the relationships between appraisal use and attitudes.

Finally, previous research has investigated the relationship between demographic variables such as age, tenure, race, and gender and employee attitudes (e.g., Herzberg, Mausner, Peterson, & Capwell, 1955; Jones, Bruni, & Sells, 1977; Sheppard & Herrick, 1972). Therefore, demographic variables will be used as controls to better ascertain the incremental relationship between perceptions of PA use and the attitudinal variables of interest.

## **Method**

### Sample

One hundred and thirty-nine employees of a Southern United States' production tool facility were administered surveys. All employees asked to participate in this study responded to the survey (100% response rate). Any employee directly familiar with the research and/or the hypotheses, such as the Human Resource Assistant, was excluded from the study. Respondents represented a mix of production/distribution workers, customer service representatives, and staff level personnel (e.g., administrative assistants, computer administrators). The mean organizational tenure was 4.4 years, 73% of the respondents were male, and the average age was 39. All respondents were either three or four levels below the Facility Vice President. After listwise deletion, 111 respondents were used in the analysis.

### Study Design

The PA occurred naturally in this organization. All employees had been given a formal

PA by their immediate supervisor once a year on the anniversary of their hire date. This is when employees were provided past performance feedback, information on future areas for improvement, training needs assessment, and any merit increase. In sum, the traditional PAs were intended by the organization to be both developmental and evaluative.

The study design was cross-sectional. Surveys were administered during small group meetings (15-20 employees) at the company site. Upon completion, respondents returned the surveys directly to the researcher. A code number matched surveys to individuals, but complete confidentiality was promised.

### Measures

The survey was pilot-tested with the company's Human Resource Department to ensure that it was complete, easy to follow, and that the items were not ambiguous. A 1-7 Likert scale (1=strongly disagree, 7=strongly agree) was used for survey items regarding PA use and employee attitudes.

Satisfaction. Greller's PA satisfaction scale was used to measure PA satisfaction. This scale is made up of four constructs: Utility, Satisfaction, Anxiety, and Derogation. Anxiety and derogation were reverse scored. An overall scale was then created using the four sub-scales (coefficient alpha, [ $\alpha$ ]=.90). This was necessary so that an overall measure of PA satisfaction could be used for the analysis. The Job Descriptive Index (Smith, Kendall, & Hulin, 1969) was used to measure employee satisfaction with the appraiser (supervisor), and one composite measure was created for the construct ( $\alpha$ =.81).

PA use. Cleveland et al.'s 1989 factor structure for the multiple PA uses was also used. As previously stated, examples of development uses are performance feedback, identification of individual training needs, and determination of transfers and assignments. Evaluative uses include salary administration, promotion decisions, and termination decisions. Evaluative and developmental uses were scaled to create the separate indexes ( $\alpha$ =.70 & .77 respectively). The various PA uses were listed on the survey and employees were asked to what extent they agree (or disagree) that their PA was used for each particular purpose (1-7 Likert scale).

Justice variables. Procedural and distributive justice were assessed with Smither, Reilly, Millsap, Pearlman, and Stoffey's (1993) measure. Because the measure was originally used to assess selection test fairness, the items were adapted to reflect a measure of PA fairness. The three items measuring distributive justice and two items measuring procedural justice were each averaged to create the respective indexes ( $\alpha$ =.82 & .88 respectively).

Control variables. Demographic information including gender (1=male, 0=female), race (1=white, 0=other), position tenure (in years), age (in years), and number of promotions, as well

as performance rating and whether a wage increase was received during the prior PA (1=yes, 0=no) were also collected and used as covariates. This information, with the exception of performance rating, was provided by the respondent at the time the survey was administered. Performance ratings were obtained through organizational records. Employees were given an overall rating by their immediate supervisor in one of the following four categories: (1) below standards, (2) meets standards, (3) exceeds standards, or (4) distinguished.

## Results

Descriptive statistics and bivariate correlations are shown in Table 1.

Table 1  
Means, Standard Deviations, and Correlations

	M	SD	1	2	3	4	5	6	7	8	9	10			
11	12														
1. Age	39.04	9.29													
2. # of promotions	1.51	2.05		.24**											
3. Gender	0.26	0.44		-.15	.01										
4. Race	0.87	0.34		.01	.11	-.04									
5. Position tenure	4.40	3.57		.39**	.16	.00	.09								
6. Wage increase	0.99	0.12		-.17*	-.06	-.06	-.04	.01							
7. Performance rating	2.39	0.57		.07	.05	.00	.04	.19*	.09						
8. Distributive justice	4.16	1.58		.05	-.06	.01	-.07	.18*	.01	.32**					
9. Procedural justice	4.40	1.60		.09	-.01	-.05	-.03	.22**	-.03	.36**	.85**				
10. Development PA use	3.69	1.13		.03	.06	.00	.00	.02	.04	.14	.64**	.64**			
11. Evaluative PA use	3.87	0.98		-.11	-.12	.09	-.11	-.06	.23**	-.02	.22**	.18*	.52**		
12. PA satisfaction	3.73	1.03		.08	.05	-.06	-.04	.15	.01	.28**	.80**	.86**	.72**	.22*	
13. Satisfaction w/ appraiser	4.84	0.95		.18*	.17	.05	.03	-.05	-.06	.07	.40**	.44**	.51**	.16	.51**

Note. Decimal points omitted. \* p<.05; \*\* p<.01

Multiple regression analysis was used to discern the relationship between perceived PA use and PA satisfaction. The control variables (i.e., demographics, PA outcome, and justice variables) were entered into the equation first followed by the developmental PA use variable and then the evaluative PA use variable, in order to discern the incremental variance in PA satisfaction explained by each PA use variable. The evaluative PA use variable was also entered before the developmental use variable to be sure order did not affect the results, and no differences were found. The results are shown in Table 2. After controlling for justice

perceptions, PA outcome variables (i.e., wage increase received and PA rating), and demographics, there was a significant positive effect of perceiving PA use for development on PA satisfaction ( $\beta = .26$ ,  $t=3.52$ ,  $p<.01$ ). There was an improvement in model fit when perceived developmental use was included in the model ( $\Delta R^2=.03$ ,  $p<.01$ ) supporting Hypothesis 3. The effect of perceived PA use for evaluation was nonsignificant ( $\beta = -.01$ ,  $t= -.24$ , n.s.) providing no support for Hypothesis 1. Procedural justice was significant ( $\beta = .56$ ,  $t=6.37$ ,  $p<.01$ ) and distributive justice only approached significance ( $\beta =.16$ ,  $t=1.87$ ,  $p<.10$ ). The numbers reported are for the full model.

Table 2  
Results of Regression Analysis

Variable	PA satisfaction			Satisfaction with the appraiser		
	Step 1	Step 2	Step 3	Step 1	Step 2	Step 3
Age	.04	.03	.02	.22*	.20*	.19*
# of promotions	.11*	.08	.07	.18*	.14	.14
Gender	-.02	-.04	-.03	.16	.14	.15
Race	.02	.02	.02	.08	.07	.07
Position tenure	-.10	-.05	-.05	-.26**	-.20*	-.20*
Wage increase	.04	.02	.02	.03	.00	.01
PA rating	.01	.04	.04	-.08	-.05	-.05
Distributive justice	.22*	.16	.16	.15	.05	.05
Procedural justice	.69**	.57**	.56**	.35*	.19	.18
Developmental use		.25**	.26**		.34**	.37**
Evaluative use			-.01			-.05
Change in R <sup>2</sup>		.03**	.00		.06**	.00
R <sup>2</sup>	.78	.81	.81	.31	.37	.37
Adjusted R <sup>2</sup>	.76	.79	.79	.25	.30	.30
F	38.90**	42.42**	38.19**	5.00**	5.77**	5.22**

Note. Standardized coefficients are shown; \* $p<.05$ ; \*\* $p<.01$

The evaluative component's negative coefficient suggests that the evaluative aspect might not be functioning effectively. The correlation between employee performance rating and whether a wage increase was received was only .09 and nonsignificant ( $p>.30$ ) as shown in Table 1. However, 99% of the respondents received a wage increase. Thus, the nonsignificance is likely the result of lack of variability in the wage increase variable. It appears that in this

organization wage increases are virtually always given, indicating that rewards may not be contingent on performance.

As discussed above, the outcomes of the appraisal (e.g., performance rating, percentage of wage increase) may moderate the relationship between perceived evaluative use and employee attitudes. This possibility was explored further by including the interaction between PA rating and evaluative PA use in the model. After controlling for the other variables, the interaction term was not significant in predicting PA satisfaction ( $\beta = .19, t = .67, p > .50$ ). The nonsignificance may be the result of lack of variance in the performance ratings—92% of the respondents either met or exceeded standards. Similarly, the interaction between whether a wage increase was received and evaluative PA use was not significant ( $\beta = -.02, t = -.24, p > .80$ ), which may also be due to the lack of variance in the wage variable. Data on the amount of increase was unavailable, so it was not possible to further explore appraisal outcomes as moderators. There was also no significant correlation between perceptions of appraisal use and performance rating. Therefore, there was no evidence that higher performers were provided more developmental feedback, that low performers were merely evaluated, or vice versa.

The same analyses were conducted for the satisfaction with the appraiser variable. As shown in Table 2, perceived developmental PA use positively associated with appraiser satisfaction ( $\beta = .37, t = 2.76, p < .01$ ) and significantly improved model fit ( $\Delta R^2 = .06, p < .01$ ) supporting Hypothesis 4. However, there was no significant effect for perceived evaluative PA use ( $\beta = -.05, t = -.47, n.s.$ ) providing no support for Hypothesis 2. There was an effect for the control variables age ( $\beta = .19, t = 2.07, p < .05$ ) and position tenure ( $\beta = -.20, t = 2.06, p < .05$ ) and a marginal effect for gender ( $\beta = .15, t = 1.82, p < .10$ ). Again, these numbers are for the full model.

The interaction between PA rating and perceived evaluative use was examined. The results are similar to those reported above for PA satisfaction. The interaction term was not significant in predicting satisfaction with the appraiser ( $\beta = .20, t = .38, p > .70$ ). The interaction between whether a wage increase was received and evaluative use was also not significant ( $\beta = -.06, t = -.47, p > .60$ ).

## **Discussion**

This study explored whether different PA uses have differing relationships with employee reactions to the appraisal and the appraiser. It was hypothesized that perceived PA use for development would positively associate with the attitudinal variables investigated, and the direction of influence of perceived PA use for evaluation was not hypothesized. Perceived PA use for development positively related to both PA satisfaction and satisfaction with the appraiser after controlling for justice, demographic, and PA outcome variables. Thus, Hypotheses 3 and 4

were supported. In the bivariate analysis (see Table 1), the relationship between perceived evaluative use and PA satisfaction was positive and significant. However, in the multivariate analysis perceived PA use for evaluation indicated a negative relationship with both of the dependent variables, but the relationships were nonsignificant. Analysis of the interaction between PA rating and perceived evaluative PA use did not yield any significant effects.

### **Implications for Practice**

Developmental activities such as determining individual training needs and identifying individual strengths and weaknesses appear to increase appraisal and appraiser satisfaction. Moreover, perceptions of developmental use associated with the attitudinal variables over and above the influence of the procedural and distributive justice of the appraisal. The attitudes investigated are important variables to the organization particularly due to the possible influences of these attitudes on turnover, absenteeism, and organizational performance. This research, therefore, brings renewed support for the importance of individual development in the PA process, not only as a way to support development, but also as a direct influence on employee attitudes.

The relationships between perceived evaluative PA use and the attitudinal variables are less clear. There was some indication that evaluative PA use may lead to negative attitudes. However, the findings presented here are nonsignificant. This is consistent with Prince and Lawler's (1986) findings for the effect of salary discussion on employee attitudes toward the appraisal. It may be that evaluative use is expected during an appraisal and, therefore, does not influence attitudes one way or the other. Indeed, if evaluation is merely expected, development may be viewed as the "extra," therefore, producing positive feelings.

Of course, the lack of variability in the measured outcomes of the appraisal may also have reduced this effect. Precise outcomes of the appraisal (e.g., percentage of merit increase, promotion received) may moderate the relationship between evaluative use and attitudes, but were not available for this study. This possible interaction is particularly likely in an organization such as the one investigated where almost every employee, regardless of performance rating, received a wage increase. If everyone receives a wage increase, how evaluation is viewed may depend on what the employee actually receives. In other words, outcomes such as wage increases may interact with perceived evaluative PA use. Moreover, degree of "threat" (e.g., chance of getting a low PA rating or not receiving a wage increase) could moderate the relationship such that employees who have negative or destructive evaluations may be dissatisfied and those who have a pleasant or constructive experience are satisfied. This is similar to Meyer et al.'s (1965) contention that defensiveness may arise when employees are

criticized during their review. In sum, the evaluative context and outcomes may be important drivers of employee attitudes, beyond the perceptions of PA use for evaluation investigated here.

The findings presented here are consistent with research on 360-degree performance reviews. Specifically, research has shown positive rater and ratee reactions to 360-degree reviews when they are used for development but moderate disapproval for such reviews when they are used for evaluation (Ash, 1994; McEvoy, Buller, Roghaar, 1988). This lends further support to the notion that developmental PA use promotes positive attitudes regardless of the type of appraisal and evaluative PA use may not always be as well received.

#### Limitations and Future Research

This study suggests some interesting links between perceived PA use and employee reactions to the appraisal and the appraiser. There are, however, some limitations to this study. Future research might involve less reliance on perceptual measures. A more objective method for collecting the PA purpose, such as the intended appraisal use(s), would also be of interest to see if perceptions are driven by PA design factors and how the interaction between espoused and perceived PA use affects attitudes. An important question is whether employees perceive a difference in use when the organization makes design changes. Also, if an organization espouses that the PA is used for a certain purpose (e.g., individual development), but the employees do not feel it is actually for that purpose, attitudes may be more negative compared to when an organization succeeds in matching perceptions of use to espoused use.

Although this study used a diverse sample of employees in terms of their occupations and demographics, future research should investigate variations in organizational hierarchy as well as multiple organizations and industries. The universality of receiving a wage increase may vary. Also, as suggested by Ostroff (1993), looking across organizations where espoused PA use varies, stronger relationships between use and attitudes may emerge. In the present study, although the organization's espoused PA purpose did not vary, employees' perceptions of PA use varied and perceived developmental use influenced their attitudes. Ostroff (1993) found similar results when rater perceptions of PA use and rating behaviors and attitudes were investigated even though the organization's explicit purpose remained constant. The importance of perceptions of PA use, as they affect both rater and ratee attitudes and behaviors seems evident.

Finally, the cross-sectional design of this study can be problematic due to the potential inflation of observed relationships caused by common method variance and questions regarding the causal direction. The proposed causal model (i.e., PA use affects attitudes) seems

plausible, however, it could be that satisfied employees are disposed to feel they are provided development, while dissatisfied employees are not. These results thus bolster the case for longitudinal designs to fully address these questions.

### **Conclusion**

This study adds to our understanding of the impact of different PA uses by investigating the relationship between employee perceptions of developmental and evaluative use and employee attitudes. There appears to be a strong, positive relationship between perceived developmental use and employees' feelings about the appraiser and the appraisal. The relationship between perceived evaluative PA use and these attitudes is less clear. How PAs are used within organizations and the perceptions regarding their use are, therefore, fruitful areas for continued research.

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