

The Managers' Performance Appraisal and the Relationship with Job Satisfaction

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ABSTRACT

This study was conducted with the goal of evaluating the performance of the managers of Borujerd City Textile Factory and studying the relation between their job satisfaction and performance by comparing the existing methods and the 360-degree feedback. The research is of descriptive and correlational type performed on a population of 159 subjects. By referring to Talkmann or Morgan-Cohen tables, it is realized that the number of the subjects in the sample has to be 113 to get reasonable and documented analysis results. A researcher-made questionnaire for appraisal of the existing performance, the questionnaire for performance appraisal by the 360-degree feedback method, and Visoki and Krom standard questionnaire for job satisfaction with 39 statements were employed. Cronbach's alpha coefficients were .93, .87, and .92 which were acceptable coefficients for the reliability of the questionnaires. The content validity of the two questionnaires was confirmed by experts. The obtained data were analyzed by one-way ANOVA test, Tukey's Post Hoc Test, and Pearson correlation coefficient. The results revealed that at least there is a meaningful difference between the means of the results of the two methods of appraisals by the existing method and 360-degree including self-appraisal, supervisors' appraisal, colleague and staff appraisal. Also, there is a meaningful relationship between the performance appraisal by the exiting methods, manager (supervisor) appraisal, and staff appraisal and job satisfaction of the managers, while there is no meaningful relationship between appraisal done by the 360-degree feedback method, self-appraisal, and colleague appraisal and job satisfaction of the managers.

KEYWORDS: Appraisal, Performance appraisal, Job satisfaction, Existing methods, 360-degree feedback

INTRODUCTION

Marvelous and unceasing changes of today's world, variety and complexity of the existing problems in organizations, and environment have made managers to execute their duties only by relying on planning based on precise data and statistics to achieve the goals of the organization while demonstrating proper reactions to their environment. Planning is a type of decision-making which pre-specifies how, when, and who should execute it (Feizi, 1993, p. 3). Basically, organizations that are responsible for the affairs of life and manner of meeting the needs of people, regardless of some differences, share several common aspects. All the organizations are established for the realization of goal or specific purposes; they all utilize specific methods or planning to realize their goals. Human subjects are considered as the main elements and the most important organizational resources; ultimately, all organizations have managers and leaders responsible for helping organizations for the purpose of meeting their goals (Stoner et al., 2003, p. 10).

The major reason of today's challenges in management domain is inappropriate and insufficient use of material and human resources. Therefore, the effective and efficient use of capacities and potentials through wisdom or in other words planning, leadership, and control of feedback have been of great importance in modern management. The focus of performance management is to determine, measure, and reinforce the appropriate working behavior of the staff. The duty of management is to present patterns and service standards in his contact with the staff and create behavioral quality and customer-centric attitude. If the duty of the front-line employee is to be the champion of service, the role of the manager is to guide the presentation of the service.

Therefore, it is observed that the satisfaction of the staff affects the rate of customers' satisfaction and if an organization were to enjoy high efficiency, it should first think of the satisfaction of the staff and then think over customer's satisfaction.

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LITERATURE REVIEW

A research recently performed on American companies through surveying method concluded that 26% of the companies used the 360-degree appraisal and its results (Robbins, 1999, p. 1014). According to the research studies performed by Tower Perrin Company active in human resources management, 8 percent of great companies are now using the 360-degree feedback and 69 percent are now planning to start using it over three years. According to Edwards more than 95 percent of 2000 Fortune companies use some forms of appraisal sources (Madigan 1998). Mohammadreza Pooriraj (1998) carried out a research titled “study of factors effective on the satisfaction of bank customers for the improvement and development of organization” (Mashad – Tehran Bank Mellat). The result showed that:

- 1- By considering the needs and expectations of their customers, banks can bring about customer satisfaction by enhancing the quality of banking services.
- 2- Quick response of the employees in banking services is of other effective factors to which customers are very sensitive.
- 3- Appropriate management of human resources in banks improves relations among the employees and managers leading to work motivation, an increase in job satisfaction, and optimal banking services.
- 4- Banks should continuously receive feedback from their customers by utilizing the measurement of satisfaction indexes in order to be aware of the needs and expectations of their customers.

In 2001, Soodabeh Beikleak did a research work under the title of “a study of the rate of job satisfaction of women compared with men working in the Ministry of Housing and Urban Development.” She found that the employees were at a low level of satisfaction concerning satisfaction with management, satisfaction with the manner of appraisal, satisfaction with salary and fringe benefits, satisfaction with job security, satisfaction with facilities, and satisfaction with physical conditions of working place were at a low level of satisfaction, i.e. on the whole the employees were unsatisfied with the working conditions. Reza Gharaeepour (2003) studied “Appraisal of competency of the managers of Sapco Company by the 360-degree feedback method.” The results of this research showed that the managers of Sapco Company had meaningfully evaluated their own competency higher than that of the other three evaluating groups. The second high score was devoted to the appraisal of the forces under the supervisor and the score for the appraisal of superior managers and customers was third in ranking. In other words, the opinion of superior managers was not meaningfully different from that of the customers of Sapco managers.

Appraisal is the systematic process of collection and interpretation of evidence in which a specified action ultimately results in value judgment or expectation (Ardebili, 1997, p. 15; Shahbaz Moradi, 2002, p. 10).

The purpose of performance appraisal is a process through which the employees are formally evaluated and measured at definite intervals (Saadat, 2000, p. 214). Abtahi (1996, p. 167) has presented the following definition: employee appraisal is the stages during which the organization evaluates and measures the manner of the performance of human resources in performing their duties and responsibilities. When the appraisal is performed accurately, employees, supervisors, managers, and especially the personnel unit of the organization all benefit from the results (Abtahi, qtd. in Werther and Davis).

Mirsepasi (a group of professors, 1999, p. 7) believes that scholars of the management of human resources have summarized the goals of appraisal under three headings as follows:

- A- Maintenance of the existing power in employees and managers.
- B- Diagnosis and elimination of defects which might result from insufficient awareness and employee power or insufficient motives and interest in their job.
- C- Training and development

The base of the 36-degree performance appraisal is to have access to multifaceted feedback not only from the supervisor but also from counterparts, customers, and supervised forces (Chang, 2002, p. 1140).

The 360-degree feedback is a systematized collection of data related to the performance of individuals or groups comprising a number of beneficiaries and presenting the feedback to them (Ward, 1995).

Diagram 1: elements of appraisal process (source: Christopher Rowe, 1995)

Top-down appraisal → self-appraisal → bottom-up appraisal → colleague appraisal

Top-down appraisal: it is the traditional appraisal which evaluates supervisors, managers, and subordinates and is still an important part of the 360-degree feedback which can provide informative information. In this type of appraisal, there are four presidents which can be reliable sources for the feedback. The simplest and nearest source

to personnel are the “immediate superior” and “matrix managers”, “former immediate manager”, and other managers cooperate in this appraisal (Jones & Bearley, 2000).

Bottom-up appraisal: one of the major initiatives of the 360-degree feedback is that it prepares the background for reporting the feedback to superiors. In appraisals performed by subordinates or bottom-up feedback, subordinates evaluate the performance of the managers and supervisors from several dimensions and report the results to the main person. Bottom-up feedback is an element of the 360-degree feedback range process and it is also an important process which contributes to the development of the organization and individuals.

Bernardin and Beatty (1987) have pointed out that although there is a great interest in the use of bottom-up appraisal in performance appraisal system in theory and in practice, a small number of organizations use it optimally. We refer to some of these reasons here. In this regard, organizations have reached this conclusion that “top-down appraisal” is the most common approach for appraisal and is more compatible with authorization style when compared with “bottom-up” appraisal. Also, little theoretical literature is available in the area of bottom-up appraisal to be used for the change of performance appraisal system in organizations (McCarthy & Garavan, 1999).

Colleague feedback: in a 360-degree feedback model, appraisal of the colleagues presents a 180-degree view in the area of an individual performance appraisal. Ken and Loveler define the colleague feedback as follows: “It is the process of cooperation of a group of people who judge a person, while each of them has a specific behavior, specification, or unique success.” They also enumerate three methods of “appraisal of colleagues” (McCarthy 1999). Introducing colleagues: the members of a group elect some people who are at the highest level of the group in one specific specification or a dimension of performance.

Appraisal of colleagues: the members of the group evaluate other people by employing an appraisal standard on the basis of a series of personnel specifications or specific performance. Grading of colleagues; the members of the group classify each other from the best to the worst on the basis of one or several factors (a range of values). Kan and Loveler believe that the colleague appraisal research findings indicate that this method reinforces aspects of accessibility, validity, unbiasedness, and negative tendencies in appraisal methods. Self-appraisal: it denotes a process under which an individual evaluates his own performance. In this process, the individual himself who is interested in the appraisal itself is a source of appraisal. Fewer discussions have been put forward in the area of self-appraisal (as a source of appraisal) than for the appraisal of colleagues and subordinates, but when this appraisal source is employed inside the 360-degree feedback, a series of issues have to be examined. Cardi and

Dubeans (1994) argue that self-appraisal leads to development and improvement of performance appraisal resulting from the growth of teams and high-level cooperation in organizations.

Job satisfaction is the result of the perception of the staff and content and job background provide what are valuable for the employees. Job satisfaction is a positive or pleasant sense which is the consequence of job appraisal or personal experience. This positive sense greatly contributes to physical and psychological health of individuals (Moghimi, 2007).

By job satisfaction, we mean the general attitude of a person towards his occupation. A person with high-level satisfaction has a positive attitude towards his job. One who is dissatisfied with his job (has no job satisfaction) has a negative attitude towards his occupation. When it is spoken about the attitude of the staff, mostly it means nothing but their job satisfaction (Parsaian & Arabi, 1999).

METHODOLOGY

This research is of descriptive and correlation type. The statistical population is 159 managers of Borujerd Textile Factory. By referring to Talkman or Morgan-Cohen tables for the calculation of the volume of the sample, we realized that the number of the subjects in the sample had to be 113, to get reasonable and documented analysis results.

A researcher-made questionnaire for the appraisal of the existing performance, the questionnaire for performance appraisal by the 360-degree feedback method including Visoki and Chrome standard questionnaire for job satisfaction with 39 statements were employed. Cronbach's alpha coefficients were .93, .87, and .92 which were acceptable coefficients for the reliability of the questionnaires. The content validity of the two questionnaires was confirmed by experts. The obtained data were analyzed by one-way ANOVA test, Tukey's Post Hoc Test, and Pearson correlation coefficient.

DATA ANALYSIS

1. Comparison of the results of the appraisal of the performance of managers

One-way ANOVA test was used to compare the means of performance appraisals. In continuation, Tukey's Post Hoc Test was used for two-by-two comparisons. The results are depicted in the following tables:

Table 1-1: Comparison of the means of performance appraisals by the existing methods, 360-degree, self-appraisal, supervisors' appraisal, colleagues and employee's appraisal

	Number	Mean	SD	ANOVA test		
Traditional appraisal	113	76.8584	7.32153	F-statistic	Degrees of freedom	Meaningful level
360-degree feedback appraisal	113	73.1925	4.93496	94.942	5.672	P<0.001**
Self-appraisal	113	73.3892	6.67022			
Supervisors' appraisal	113	83.7788	6.59103			
Colleagues' appraisal	113	69.8230	7.04353			
Staff's appraisal	113	65.7699	7.45104			

*meaningfulness at 0.05 level **meaningfulness at 0.01 level NS: meaningless

Based on the data obtained from the above table, since the value of F-statistic (94.942) is meaningful (P<0.001), it is inferred that there is at least a meaningful difference between the means of the results obtained from two methods of appraisals through the existing method and the 360-degree feedback including self-appraisal, supervisors' appraisal, colleagues' appraisal, and employees' appraisal. In continuation, Tukey's Post Hoc Test was used for paired comparisons (two-by-two). The results are presented in the following tables.

Table 1-2: Results of the comparison of paired comparisons by Tukey's method

Type of appraisal (A)	Type of appraisal (B)	Mean difference	Level of meaningfulness
Traditional appraisal	Appraisal through 360-degree feedback	3.6659	P=0/001**
	Self-appraisal	3/4602	P<0/001**
	Supervisors' appraisal	-6/9204	P<0/001**
360-degree appraisal	Colleagues' appraisal	7/0354	P<0/001**
	Employees' appraisal	11/0885	P<0/001**
	Self-appraisal	0/2058	P<0/001**
Self-appraisal	Supervisors' appraisal	-10/5863	P<0/001**
	Colleagues' appraisal	3/3695	P<0/001**
	Employees' appraisal	7/4226	P<0/001**
Supervisors' appraisal	Supervisors' appraisal	-10/3805	P<0/001**
	Colleagues' appraisal	3/5752	P<0/001**
	Employees' appraisal	7/6283	P<0/001**
Colleagues' appraisal	Colleagues' appraisal	13/9558	P<0/001**
	Employees' appraisal	18/0088	P<0/001**
	Employees' appraisal	4/0531	P<0/001**

*meaningfulness at 0.05 level **meaningfulness at 0.01 level NS: meaningless

Based on the data obtained from the above table, there is only a meaningful difference between the results of appraisal by the 360-degree feedback and self-appraisal (P<0.05). In relation to other methods, appraisal difference is meaningful (P<0.001).

Table 1-3: Grading of the means of appraisals with regard to paired comparisons by Tukey's method

Type of appraisal	groups				
	1	2	3	4	5
Managers' appraisal (supervisors)	83.7788				
Traditional appraisal	76.8584				
Self-appraisal	73.3982				
Appraisal by 360-degree feedback method	73.1925				
Colleagues appraisal	69.8230				
Employees' appraisal	65.7699				

Based on the results of the above table, the highest mean of performance appraisal is (83.77) for managers, and the least mean (65.76) is for employees' appraisal.

2. Study of the relation between the type of appraisal for the performance of managers and their job satisfaction

Since the variables under study are based on interval scale, Pearson correlation coefficient was employed for the study of the relation between them. The results are depicted in the following table.

Table 1-4: Correlation coefficient between type of appraisal for the performance of managers and their job satisfaction

Methods of performance appraisal	Traditional appraisal	360-degree feedback appraisal	Self-appraisal	Supervisors' appraisal	Employees' appraisal	Colleague appraisal	Job satisfaction
Traditional appraisal	1						
360-degree feedback appraisal	0.672**	1					
Self-appraisal	0.438**	0.746**	1				
Supervisor appraisal	0.906**	0.698**	0.431**	1			
Employee appraisal	0.373**	0.730**	0.387**	0.336**	1		
Colleague appraisal	0.227*	0.671**	0.330**	0.257**	0.309**	1	
Job satisfaction	0.71 ^{NS}	0.213*	0.172 ^{NS}	0.218*	0.209*	0.107 -NS	1

*meaningfulness at 0.05 level **meaningfulness at 0.01 level NS: meaningless

Based on the data of the above table, there is no meaningful relationship between performance appraisal by the existing methods and job satisfaction.

There is a significant relationship between the appraisal of the performance of managers and job satisfaction.

There is a meaningful relationship between the appraisal of the performance of employees and their job satisfaction.

There is a meaningful relationship between performance appraisal by the 360-degree feedback and job satisfaction.

There is no significant relation between performance self-appraisal of managers and their job satisfaction.

There is no meaningful relationship between performance appraisal of colleagues and their job satisfaction.

CONCLUSION

One-way ANOVA test was used for the comparison of the means of performance appraisals and in continuation, Tukey's Post Hoc Test was employed for two-by-two comparisons. The results are depicted in table 1-1. It is inferred from the data in table 1-1 that there is at least a meaningful difference between the means of the results of the two methods of appraisals of the existing method and 360-degree appraisal including self-appraisal, appraisal of supervisors, appraisal of colleagues and employees. In continuation, Tukey's Post Hoc Test was used for the purpose of paired (two-by-two) comparisons. The results are depicted in tables 1-2 and 1-3. According to the results of table 1-3, the highest mean for performance appraisal relates to managers (83.77) and the least one relates to the employees (65.76).

Pierson correlation coefficient was used for the study of the relationship between the type of the performance appraisal of managers and their job satisfaction. The results are shown in table 1-4. According to the data in table 1-4, there is a meaningful relationship between performance appraisal by the existing methods, manager (supervisor) appraisal, and employee appraisal with job satisfaction of managers, but there is no meaningful relationship between appraisal through the 360-degree feedback, self-appraisal, and colleague appraisal and job satisfaction of managers.

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