

Employees' Perception Regarding Performance Appraisal System On Their Commitment And Turnover Intention: (A Case Study Of Hbl And Nbp Sukkur Region)

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Abstract: The purpose of this study was to evaluate employees' perception of performance appraisal of banking sector of Sukkur region and its impact on employee work outcomes, affective commitment and turnover intention were selected. To achieve study specific three objectives and their underlying hypotheses were designed and evaluated based on quantitative research design. On the proposed hypotheses, the concerned literature were reviewed. Most of the literature shows that employees' perception of performance appraisal has a significant impact on employee work outcomes.

The required data was collected through adopted questionnaire while conducting this study. The questionnaire was adopted from prior related studies, while the questionnaire contains three variables and 24 items, eight items for each. The reliability and validity of the adopted items the Cronbach's Alpha and content validity test were carried out. Moreover, the total 300 questionnaire were distributed among bank employees of both banks (NBP & HBL) in Sukkur region, among 287 questionnaires were received back, of which 30 questionnaires were excluded due to incomplete answers. Thus, remaining correct complete 257 questionnaires data were analyzed in EXCEL, SPSS v 25.0 and SMART-PLS.

The findings is seen as Cronbach's Alpha .920 of 24 items which is greater than considered is acceptable. Whereas, the t-statistics 21.010 which is larger than 1.96. While the P-Value is 0.000 which is < 0.05. Both results of t-statistics and P-value regarding the first hypothesis were considered. Thus, t-statistics is 20.880 which is larger than 1.96. While the P-Value is 0.000 which is < 0.05 regarding second hypothesis which shows the positive relation of EPA on turnover intention, but this study was analyzing the negative impact of EPA on turnover.

Therefore, The results of this study shows that, the employees of both banks (NBP & HBL) has low level of satisfaction regarding performance appraisal practices. Whereas, EPA has positive and significant impact on affective commitment, and as results recommended that EPA has positive and significant relation with turnover intention while the study was analyzing EPA has negative relation with Turnover Intention. However, the first hypothesis accepted and second hypothesis rejected.

Keywords: Employeeyes' Perception of PA, Performance Appraisal, Affective Commitment, Turnover Intention.

I. INTRODUCTION

Performance appraisal is one of the most vital function of the human resource management. Through appraisal system, an organization measures the employee performance; that how they are doing for the organization. There are many purposes that an organization would implement performance appraisal system. Those are: rewards for employees, advice for further development, justification for the employees' perception of job, department, managers and organization (Seldon et al., 2001). The earlier literature highlights that employee opinion of fairness regarding appraisal system is a substantial factor in an employee recognition and satisfaction of performance appraisal. It is noted that a good perception regarding appraisal system will create positive and productive working atmosphere in the organization, while a negative perception regarding appraisal system will affect the organization performance (Ahmed et al., 2011). Whereas, if the performance appraisals are found one-sided, the remunerations will diminish rather than enhancing. (Thomas & Bretz, 1994). The perception of employees regarding PA system has key value in human resource management. If the employees have optimistic perception for performance appraisal process, it shows that they are motivated with exiting system of appraisal. On the other hand, if they are not happy with appraisal system, it shows they will not work productively for the organization. In the worst scenario, the employees will quit their jobs.

The salary packages, promotions and other benefits of employees based on performance in every organization as well as in banks. There are two possibilities of perception of employees for appraisal system. One of them is the appraisal system is working fairly well. The employees' perception is positive and they are happy with the existing system of appraisal. Whereas, the second possibility is that the appraisal system is not functioning efficiently and fairly. Then, the employees will not percept as positive. So, this research has investigate the opinion of employees' about appraisal system and its impact on affective commitment and turnover intention.

Moreover, the performance appraisal system positively and significantly predicted organizational effectiveness. Most of the organization use their performance appraisal system to improve their goal setting, enhance communication and information between subordinates and supervisors (Brefo-Manuh et al., 2017).

II. STATEMENT OF THE PROBLEM

In today's modern and competent world, the business environment increasingly towards uncertain, complex and dynamic. This tendency began in 1960s and towards the power of globalization, technological progress and innovation in market. To persist and maintain in this competitive situation, a

huge number of studies suggested the competency based management as a method of Human resource management. It delivers communication in between the corporate management and employees (Meshoulam et al., 1987). Thus, both performance appraisal and performance management taken as a function in Human resource management which permits organization to grow efficacy of employees for the organizational goals.

To conduct a research in Pakistan on observation of employees' regarding performance appraisal to know the point of view of employees.

Moreover, Researcher collected and used primary data of three variables as;

- 1- Employees' perception of performance appraisal (independent variable),
- 2- Affective commitment (dependent variable),
- 3- Turnover intention (dependent variable) and the focus of this research is banking sector (NBP & HBL) of Sukkur region.

III. OBJECTIVE OF THE STUDY

- I. To know the perception of employees' regarding existing performance appraisal system.
- II. To analyze the impact of performance appraisal on affective commitment.
- III. To identify the impact of performance appraisal on turnover intention.

IV HYPOTHESES

- I. Employees' perception of performance appraisal is positively and significantly related with affective commitment.
- II. Employees' perception of performance appraisal is negatively and significantly related with turnover intentions.

V. LITERATURE REVIEW

1. EMPLOYEES' PERCEPTION OF PERFORMANCE APPRAISAL

Perception means the way you notice, identify and interpretation of sensory information in order to understand the presented information or environment. Employees perceive for the organization programs on the basis of their notices and experience. The perception regarding performance appraisal has key value in human resource management. There are two possibilities of the perception first is they perceive positively for the process of appraisal and second is; they give negative feedback for process of appraisal. If the employees have affirmative perception for performance appraisal system, it shows they are motivated by the existing system of appraisal. On the other hand, if they are not happy with the appraisal system, it means they will not work efficiently for the organization (Bekele et al., 2014).

Therefore, research has claimed that over 80 percent of employees of British organizations expressed dissatisfaction for the existing process of the performance appraisal system. While over 15 percent of US

supervisors claimed that organizations do not conduct the process of appraisal which leads the dissatisfaction among employees (Fletcher, 2004). Moreover, Fletcher stated that some organizations change the name of appraisal with a different name to change the employee's perception.

Furthermore, Chmiel (2017) stated in his study, the main problem with the appraisal system is a disagreement between the way of assessment and motivational functions of appraisal, which move to connect four different situations: Personal interest of participant, communications, quality assessment and implication for rewards. Quality raise to the perception of employees by an unfair or biased evaluator, while communication refer to the reluctance or difficulty of the evaluator to communicate a critical judgment, especially as criticism can lead to reduce motivation and performance of the employee. In this scenario, studies have shown that rewards can be a problem, and direct relation between performance and rewards can also lead to lower performance.

Moreover, another study claimed that if the organization will do justice while evaluating performance with employees, they will give positive response and will carry on efforts to accomplish organizational goals and targets effectively and efficiently (Fakharyan et al, .2012).

2. PERFORMANCE APPRAISAL (PA)

Considering the estimation of employees' performance in the institute is one of the difficult work for the appraiser which needs more efforts to accomplish. Whereas, Performance appraisal is only one system by performance can be estimated of the employees who they are giving services in the organization. Performance appraisal is the utmost significant topic in field of research which mostly selected by the research scholars in work of psychology but many scholars have failed to understand what this means (Fletcher, 2002; Scholtes,1993). Biswakarama (2017) stated in his study that Performance appraisal is the organized assessment of the person with regard to work performance and development prospective. Study reveals that Performance evaluation is a method of assessing the behavior of workers in the workplace, which usually includes the quantitative and qualitative aspects of work performance (khan, 2013).

PA is defined as "An apparatus for classifying and monitoring employee skills and competencies, as well as taking into reason of the company's core competitiveness and exterior requirements" (Ubeda & Santos, 2007). Whereas, PA is precise as "designed formal communication among a supervisor and his / her subordinate". It typically involves regular maintenance work to Investigate and discuss the performance of subordinates" (Arbaiy & Suradi,2007).

3. THE NEED OF PERFORMANCE APPRAISAL

The success and failure of an employee can be analyzed by appraisal process and his sustainability can be restrained for training and up gradation in the future. The Maund (2001) stated that, appraisal the core element of performance administration of employees. When the performance is an operational, the appraisal process can enhance an individual personal sense value and helps them to develop their aspirations. The process of appraisal in needed for the organization because it can enhance motivation of

the employee by the feedback system and may provide working environment and increase employee output, by animating his strong areas and improving his weak ones. According to Auerbach (1996) employee assessment can improve management usefulness by making more attentive of their seniors. Therefore, it is much clear that why appraisal system is needed for the organisation. Because policy makers also focused on the employee performance and productivity and they offered them benefits, rewards, and salaries on the basis of their performance. Bekele et al., (2016) identified that;

- Appraisal increase motivation among employees to perform efficiently for the organisation.
- Appraisal system increase self-regard among employees in the organisation.
- The supervisors and staff will gain new insights.
- The distribution of rewards will be fair and credible.
- It will reduce gap between appraisers and appraise.
- Appraisal system will identify employees who they are not performing well,
- It will create good atmosphere for communication between employees.

4. AFFECTIVE COMMITMENT (AOC)

Myer and Allen, (1990) recognized three main elements of organizational commitment. The first one is affective commitment which refer to positive response of employees or emotional attachment of workers with organization. The second component is continuance commitment which means, when employees feels that they offered more benefits as compare to other organization in the context of cost, and the last one is normative commitment which shows loyalty, sense of gratefulness to stay with organization. So, that the measurement of three component is very necessary to know the response of employees that what they response for the commitment. The main focus of this research is on the affective commitment which to be considered as sensitive attachment of employees by organization which is concerned with the perception of employees.

5. TURNOVER INTENTION (TOI)

Employee Turnover is a well-studied sensation. But it can be said that there is no any standard reason that why persons quit the organization. Employee turnover is the revolution of labors of the Labor marketplace; state between company, jobs, and occupation; and service and joblessness (Abassi & Hollman, 2000). The word turnover often occurs used to measure employee relationships in organizations as they leave the organization. Therefore, some other descriptions of turnover intention are as follows:

- a) The turnover intention is the individuals idea of voluntariness goodbye the organization (Schyns et al., 2007).
- b) The turnover is projected probability (subjective) of each person that they will leave the organization permanently in the near future (Vandenberg, 1999).
- c) The turnover is considered to be a sentient and careful choice to quit the organization (Tett & Meyer, 1993).

As it can be seen as above, most descriptions refer to similar meanings: the intent of the employee leaves an organization. This study assumes that the turnover intention preferences to turnover as it is one of the dependent variables there may be a “survival” bias associated with acceptance of turnover Intention (Unable to collect enough data for full and in-depth research) and this led to the wrong conclusion (Biswakarma, 2006).

VI. REVIEW OF EMPIRICAL LITERATURE

It was observed that sum of studies had been focused on the performance appraisal with different variables but it was also reviewed that employees perception regarding performance appraisal is less studies, especially in the context of Pakistan. It is very important for organization to check employees’ satisfaction that how much they are happy with existing system of appraisal to rise the performance of employees for the organization. Therefore, in this part we have presented the most reliable findings to relate with employees’ perception of performance appraisal with different construct.

The study was carried by warokka et al., (2012) on organizational justice of performance appraisal and employees work performance. In this study the data came from 152 respondent. The findings of this study designates that the mean of satisfaction of employees on appraisal system was 3.49 and Standard deviation=0.76 while the mean of work performance was higher, as 3.70 with standard deviation 0.46.

Another study was conducted by Vignaswaran (2005) in Malaysia on the same variables which shown the association of satisfaction of performance appraisal with outcomes. In this study 900 questionnaires were distributed for data collection, of which 311 were used for data analysis. The results of this study also suggest low level of satisfaction in employees regarding process of performance appraisal system with mean 3.35 and SD=0.69. While, the work performance mean=3.85 which is higher than satisfaction level. Affective org. commitment was also studies as dependent variable and its mean is = 3.11 which leads to low emotional affection of employees with the organization and level of turnover intention was seen low with mean =3.16. Whereas, the findings of correlation suggests that performance appraisal satisfaction is positively related with work performance as ($r=0.162$, $P=0.01$) and negatively related with turnover intention as results shows($r=-0.504$, $P=0.01$). Finally, at the end regression analysis was shown that satisfaction of performance appraisal process positively related($\beta=0.116$, $P=0.001$) with work performance and affective commitment shows ($\beta = 0.518$, $P<0.001$) while the turnover intention was negatively correlated ($\beta=-0.703$, $P<0.001$) with satisfaction of performance appraisal policies.

The study of Sreedhara (2010) also conducted to know the satisfaction level of employees’ on performance appraisal in India. According to this study that 162 questionnaires were circulated to sampled employees, of which 128 found complete and analyzed. The finding of this study shown that the satisfaction regarding appraisal system was medium with mean =3.50 and standard deviation = 1.141. Therefore, the study found that the employees’ were not pleased with practices of performance appraisal.

Abdulkadir (2012) study reveals, which he has conducted on employees’ point of view for PA system and their work outcomes in Nigeria. The researcher selects 24 banks and 570 questionnaire were circulated to sampled bank employees. The conclusions of this study shown that employees’ perception of

performance appraisal has significant relation between employees perception of performance appraisal and organization commitment.

The results of empirical study of Ahmed (2010) on the topic performance appraisal on attitudinal outcomes and org. performance shows negative significant relationship in-between performance appraisal perception and turnover intentions was ($r=-.811$)

The study of Fakharyan et al, (2012) evaluates the effect of performance appraisal perception on employee outcomes in Iran, and used motivation as mediating variable. The findings of this study shows that performance satisfaction has significant ($r=.15$, $P=.001$) relation with work performance. And the finding shows positive relation between employees perception of performance appraisal and affective commitment ($r=.85$ and $P=.001$). Therefore, the regression analysis shows direct relationship in-between employees' satisfaction with work performance, affective commitment and turnover intention as their results are ($\beta=.08$, $\beta=.73$ and $\beta=.66$) respectively.

The study conducted by Biswakarma (2017) on employees' perception on performance appraisal and their workout comes in Nepal. The researcher tried to analyze perception on performance appraisal and its impact on affective commitment and turnover intention. According to this study hundred questionnaires were circulated to bank employees' in Khathmandu, of which 98 were found correct for analyzing. The conclusions of this study indicates that there is significant level at ($t=4.96$, $p=0.01$) between employees' perception and work performance and also find positive relation ($t=6.013$, $P<0.01$) of employees' perception and affective commitment. While the impact of perception regarding performance appraisal is not significant ($t=-1.170$, $P>0.05$).

VII. METHODOLOGY

1. RESEARCH DESIGN

Research design is a strategy designed to provide framework for research based on importance of the research goals (Seltiz, et al.1962). Singh (2006) stated that, the ways of collecting data with evidences, analyzing and proceed to findings. Creswell (2003) reveals that the quantitative research methods are vital to establishing assessable causes and effect relationships between variables of the research. Christense (1985) suggested that quantitative survey method is the most suitable one to describe the relationship between variables if the main object is to investigate.

Therefore, the quantitative survey method was used to collect data and questionnaires has been distributed among the respondent of NBP and HBL banks. The intentions of conducting this study were to know the perception /satisfaction regarding existing performance appraisal system and its impact on affective commitment of the employees' and turnover intention.

2. POPULATION AND SAMPLING METHOD

The study was conducted on the employees of National bank of Pakistan and Habib bank of Pakistan in Sukkur region. The national bank of Pakistan have 37 branches in Sukkur region and Habib bank have 16 branches in Sukkur region while conducting this research. The convenient sampling method was used to

conduct this research. Which is non-probability sampling technique. It is one of the utmost engaged method in academic research as well in practical situation. The main reasons for choosing this method are as follow: Data can be collected rapidly and cheaply.

The need of enough data to determine the situation.

Time constrain which was the one of main reason as well.

3. DATA COLLECTION

The 300 questionnaires were circulated in targeted population which is Sukkur region. Out of 300 questionnaires 287 were received from the respondent. While 30 questionnaires were omitted due to inadequate answers and 257 questionnaires found correct and complete for data analysis.

4. MEASURE

The all items of questionnaire were measured on five point Likert scale (1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree).

5. EMPLOYEES' PERCEPTION OF PERFORMANCE APPRAISAL (INDEPENDENT VARIABLE)

Employees' perception of performance appraisal is independent variable in this research. The measure of this variable was adopted from former studies of Vignaswaran (2005) and Gallato (2012). The independent variable used as instrument to check out weather respondents are satisfy with the procedure of appraisal system or not.

6. AFFECTIVE COMMITMENT (DEPENDENT VARIABLE)

The affective commitment is the dependent on employees' perception of performance appraisal in this area. The part of questionnaire items for this variable was adopted from previous studies of Allen and Meyer (1990). The study has been investigate the impact of EPA on affective commitment that what is effect of EPA on affective commitment when respondents are satisfy and what is the effect of EPA on affective commitment when they are not happy with the practices of appraisal.

7. TURNOVER INTENTION (DEPENDENT VARIABLE)

The third variable of this study is turnover intention which depends on employees' perception of performance appraisal variable. The items of the last part of questionnaire were adopted from early studies of Vignaswaran (2005) and Yuceli (2012).

VIII. RESULT AND DICUSSION

1. DESCRIPTIVE AND INFERENTIAL STATISTICS

In this part, we have discussed about the second part of questionnaire according to variables. The mean and std. deviation of these three variables (EPA, AOC, and TOI) each items presented respectively in the form of table. As described in previous chapter and this study used an adopted questionnaire from the prior studies on (5) Likert Scale and were coded as (1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree). Therefore, the coded data was analyzed in SPSS version 25.0 to measure the mean and std. deviation of 3 variables and its 24 items.

2. EMPLOYEES' PERCEPTION OF PERFORMANCE APPRAISAL

In order to measure the employees' perception of performance appraisal (8) items were adopted from previous studies as mentioned in early chapter. The all items were coded as (EPA1, EPA2, EPA3, EPA4, EPA5, EPA6, EPA7, and EPA8). The items were analyzed by using SPSS version 25.0. Mean and std. deviation of (8) items shown in table 4.7 as bellow.

Table No 1: Mean & Standard Deviation of Employees' Perception regarding Performance Appraisal items

Item No.	Questions	Mean	Std. Deviation
EPA1	I am satisfied with the way the performance appraisal system is used to calculate and rate my performance	2.56	1.056
EPA2	Present performance appraisal is impartial and unbiased	2.68	1.155
EPA3	My leader takes my performance appraisal review discussion seriously	2.62	1.251
EPA4	The feedback I receive agrees with what I have truly achieved.	2.71	1.109
EPA5	If don't agree with performance appraisal score, there is appeal process	2.65	1.094
EPA6	I think that my organization attempts to conduct performance appraisal the best possible way	2.67	1.178
EPA7	Performance appraisal valuable to me as well as my organization	2.58	1.105

EPA8	My organization seems more engaged in providing positive feedback for good performers than criticizing the poor ones	2.60	1.041
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Source: Own survey data.

The mean and std. deviation of the independent variable items is shown in the above table 1. in which each items contains its results separately. The mean of all items regarding employees’ perception of performance appraisal (EPA1) is 2.56, (EPA2) is 2.68, (EPA3) is 2.62, (EPA4) is 2.71, (EPA 5) is 2.65, (EPA 6) is 2.67, (EPA 7) is 2.58 and (EPA 8) is 2.60 with their std. deviation respectively.

Moreover, it is very important to discuss prior empirical findings regarding “Employees’ Perception of PA” that how researchers reviewed, which already summarized in Empirical Literature Review in this study as: - Saeed and Shahbaz (2011) found high average of mean with 4.02 and SD was .515 of employees’ perception of PA. Whereas, the moderate level of perception of PA was found with average of mean 3.50 and SD was 1.41 Sreedhara (2010). Another study conducted by Vignaswaran (2005) establishes enough level of perception of employees’ with average of mean 3.35 and SD was 0.69. Whereas, Alwadael (2010) also found low level of employees’ perception with average of mean 2.66 and SD was 1.14 and Warokka et al., (2012) establish moderate level of perception with average of mean 3.49 and SD was 0.76.

Therefore, On the basis of above empirical findings by researchers, this study supported by Vignaswaran (2005) who institute employees’ perception of PA is low level with average mean 3.35 and std. Deviation 0.69 and study of Alwadael (2010) also found low level of satisfaction regarding appraisal practices with average of mean 2.66 and SD was 1.14. However, the result regarding this study about employees’ perception of PA (EPA) variable can be concluded on the basis of average mean 2.63 which is showing low level as compared to Viganswaran and Alwadael studies. So, that it can be said that there is low level of satisfaction of employees regarding appraisal practices in both banks in Sukkur region.

3. AFFECTIVE COMMITMENT

To measure affective commitment (8) items were adopted. The items were coded as (AOC1, AOC2, AOC3, AOC4, AOC5, AOC6, AOC7, and AOC8). Mean and std. deviation of the affective commitment (8) items are as below table.

Table No II: Mean and standard deviation of Affective Commitment items

Item No.	Questions	Mean	Std. Deviation
AOC1	I would be very happy to spend the rest of my career with this organization	2.60	1.007

AOC2	I enjoy discussing about my organisation with outside people	3.27	0.977
AOC3	I really feel as if this organizations problems ate my own	3.33	1.052
AOC4	I think that I could easily become as attached to another organization as I am to this one	2.49	1.176
AOC5	I do not feel like ‘part of the family’ at my organisation	2.62	1.229
AOC6	I do not feel ‘emotionally attached’ to this organization	2.66	1.212
AOC7	This organization has a great deal of personal meaning for me	2.74	1.188
AOC8	I do not feel ‘Strong’ sense of belonging to my organization	2.52	1.007

Source: Own survey data.

The mean results of second variable of this study is shown in the above table II. The all items of affective commitment contains their mean value and Std. Deviation as; (AOC1) has 2.60, (AOC2) has 3.27, (AOC3) has 3.33, (AOC4) has 2.49, (AOC5) has 2.62, (AOC6) has 2.66, (AOC7) has 2.74 and (AOC8) has 2.52 while the Std. Deviation values can be seen in table respectively.

However, it is very important to know about the early studies regarding affective commitment that on which values they consider low level of affective commitment and on which value they consider as a high or moderate level of commitment. Thus, from the empirical findings regarding their studies Saeed & Shabaz (2011) found high level of affective commitment with average of mean value 4.36 and SD was 0.791. On the other hand, Vignaswarn (2005) institute low level of affective commitment with the average of mean 3.11 and SD was 0.61 and Bekele et al., (2014) found low level of affective commitment on the basis of mean value 3.69.

Therefore, it can be concluded that, the employees of both banks have low level of affective commitment to their organization due to rough practices of PA practices. Because, the average mean value of affective commitment of this study is 2.77 which is very low as compared to earlier studies.

4. TURNOVER INTENTION

Turnover intention also measured by adopting (8) items in the questionnaire which relates to turnover intention. All (8) items were coded as (TOI1, TOI2, TOI3, TOI4, TOI5, TOI6, TOI7, and TOI8,). The bellow table 5.9 represents mean and standard deviation of this variable, all items which were run by using SPSS 25.0.

Table No III: Mean and Standard Deviation of Turnover Intention items

Item No.	Questions	Mean	Std. Deviation
TOI1	I have intent to make a genuine effort to find another job over the next few months	2.82	1.005
TOI2	I intent to leave the organisation	3.63	1.386
TOI3	I will probably look for a new job in the next year	3.80	1.274
TOI4	I plan to work as long as possible	2.58	1.013
TOI5	I will most certainly look for a new job in the near future	3.09	1.294
TOI6	I proposed to stay in this employment for at least two to three years	2.61	1.021
TOI7	I would be reluctant to quit this job	3.03	1.291
TOI8	I have auspicious future in this organization	2.69	1.144

Source: Own survey data.

The above table III contains mean and Std. Deviation of all items of dependent variable turnover intentions. While the mean of all items as; (TOI1) is 2.82, (TOI2) is 3.63 , (TOI3) is 3.80, (TOI4) is 3.09, (TOI5) is 2.58 , (TOI6) is 2.61 , (TOI7) is 3.03 and (TOI8) is 2.69 and items Std. Deviation can be seen in the table respectively.

Nevertheless, amongst the experimental results of researchers which already discussed in this study as; Saeed & Shahbaz (2011) found the low level of turn over intentions of employees in their studies with mean 3.15 and SD was 1.205 and Vinaswarn (2005) also found low level with average of mean 3.16 and Std. Deviation was 0.96. But, as for as concerned the previous two variables of this study mean value (EPA) was 2.63 and (AOC) was 2.77.

Therefore, it can be determined that the turn over intention of employees moderate on the basis of average mean value 3.03 of this variable and will be probably high as associated the mean of EPA(2.63) and AOC (2.73) is low. So, that the turnover intentions would be high in banking sector of Sukkur region.

5. RELIABILITY OF OVERALL ITEMS THAT WERE ADOPTED IN QUESTIONNAIRE

Reliability measures the extent to which the instrument is distortion- free (no error) and provides consistent measurements across multiple instruments over the time. While the test of consistency is said

to be inner item consistency when the responses of all respondents to be in measure. While the Cronbach's Alpha is the most prevalent test for inter item consistency reliability and used in multipoint scale (Cavana et al., 2001). So, that Cronbach's Alpha method was used to check the inner item consistency of this study. However, many researcher suggested that, even there is no fixed standard of reliability, but the reliability with coefficient 0.70 is to be consider as a reliable (Alwadaei, 2010 and Kathori, 2004). Field (2006) states that, the instrument that delivers the reliability coefficient 0.70 is said to be a good reliability. Therefore, the table 4.9 is showing .920 reliably of over all items that were adopted in this research.

Table No IV: Reliability of All Items

Reliability Statistics of All Items	
Cronbach's Alpha	No. of items
.920	24

Source: Own survey data.

6. RELIABILITY OF EMPLOYEES' PERCEPTION OF PERFORMANCE APPRAISAL

All items of employees' perception of performance appraisal were resulted from SPSS. While the 8 items of EPA are much reliable to each other as result suggested. The responses compiled by respondents are reliable as Cronbach's Alpha is .883 of 8 items of EPA. However, it is very important to mentioned here that Cronbach's Alpha for the corrected item- Total correlation and scale variance if item deleted is in below table.

Table No V: Reliability Statistics of Employees' Perception of Performance Appraisal

Reliability Statistics of Employees' Perception of Performance Appraisal	
Cronbach's Alpha	No. of items
.883	8

Source: Own survey data.

Table No VI: Item-Total Statistics Item- Total Statistics

Item- Total Statistics

Items codes	Scale Mean if Item Deleted	Scale variance if item Deleted	Corrected Item Total Correction	Cronbach's Alpha if item Deleted
EPA1	62.99	243.558	.648	.783
EPA2	62.86	242.629	.613	.688
EPA3	62.92	243.947	.525	.476
EPA4	62.83	245.382	.559	.513
EPA5	62.89	244.071	.607	.733
EPA6	62.88	239.880	.678	.734
EPA7	62.97	242.718	.641	.741
EPA8	62.94	242.907	.679	.724

7. RELIABILITY OF AFFECTIVE COMMITMENT

The items of affective commitment were also measured by using SPSS. While the 8 items of AOC showing good reliability to each other as Cronbach's Alpha showing .822 internal consistency of each item in table 4.13 Thus, table 4.13 showing Item- Total Statistics in which scale mean if item Deleted, Corrected item-total correlation and Cronbach's Alpha if item Deleted is shown.

Table No VII: Reliability Statistics of Affective Commitment.

Reliability Statistics of Affective Commitment	
Cronback's Alpha	No. of items
.822	8

Source: Own survey data.

Table No VIII: Item-Total Statistics Item-Total Statistics Items codes Scale Mean if Item Deleted Scale variance if item Deleted Corrected

Item-Total Statistics

Items codes	Scale Mean if Item Deleted	Scale variance if item Deleted	Corrected Item – Total Correction	Cronbach’s Alpha if item Deleted
AOC1	19.63	31.343	.446	.814
AOC2	18.96	32.331	.369	.823
AOC3	18.90	31.083	.443	.815
AOC4	19.75	27.823	.659	.785
AOC5	19.61	27.668	.635	.788
AOC6	19.58	26.808	.726	.774
AOC7	19.49	30.345	.430	.818
AOC8	19.72	27.376	.626	.790

8. RELIABILITY OF TURNOVER INTENTION

The reliability result regarding this variable items is also showing good reliable to each other as Cronbach’s Alpha coefficient is showing .794 of 8 items of TOI in table 4.14 and the itmes- total Statistics of turnover intention items can be got in table as below.

Table No IX: Reliability Statistics of Turnover Intention

Reliability Statistics of Turnover Intention	
Cronback’s Alpha	No. of items
.794	8

Source: Own survey data.

Table No XI: Items-Total Statistics

Items-Total Statistics

Items codes	Scale Mean if Item Deleted	Scale variance if item Deleted	Corrected Item – Total Correction	Cronbach’s Alpha if item Deleted
TOI1	19.42	30.503	.348	.792
TOI2	19.61	27.919	.378	.795
TOI3	19.44	29.092	.443	.780
TOI4	19.15	27.598	.449	.781
TOI5	19.67	27.356	.660	.750
TOI6	19.63	27.781	.609	.757
TOI7	19.21	26.849	.513	.770
TOI8	19.55	25.983	.693	.740

Source: Own Survey data.

VIII. RESULTS AND CONCLUSION OF HYPOTHESES

This chapter and previous chapters contains a detailed discussion about the variables and its impact on each other. Specially, this chapter have a huge amount of discussion on results which leads to conclusion of hypotheses. The above result shows that how employees gave their feedback for the appraisal system and impact of employees’ perception of PA on affective org. commitment and turnover intention. The conclusion of the results is given in table as below.

Table No X: Hypotheses Testing Results

Hypotheses	Relation(Path: from →to)	t-statistics >1.96	Significance <0.05	Remarks
H1:EPA positively and significantly related with AOC	EPA→AOC	21.010	0.000	Accepted
H2: EPA negatively and significantly related with TOI	EPA→TOI	20.880	0.000	Rejected

Source: This study own analyzed data.

As results are shown in table 4.23, in two (t-statistics and P-Value) columns respectively. Where the t-statistics column result is 21.010 which is larger than 1.96. While the P-Value is 0.000 which is < 0.05 . Both results of t-statistics and P-value strongly suggest that the hypothesis;

H1:- Employees' perception of performance appraisal is positively and significantly related with Affective commitment is accepted.

While the hypothesis two also tested in same table (4.23) in which EPA \square TOI relation is shown in the path column. The result of t-statistics is 20.880 which is greater than 1.96 and the result of P is 0.00 which is less than 0.05 which is significant value. However, the second hypothesis is rejected because this study was analyzing negative relation of EPA on turnover intentions while the results are showing positive relation of EPA with turnover intentions Meanwhile, On the basis of results shown in table the second hypothesis;

H2:- Employees' perception of performance appraisal is negatively and significantly related with Turnover Intention is rejected.

IX. SUMMARY OF THE STUDY

The aim of this study was to achieve these objectives.

- i. To know the perception of employees' regarding existing performance appraisal system.
- ii. To analyze the impact of employees' perception of performance appraisal on affective commitment.
- iii. To identify the impact of employees' perception of performance appraisal on turnover intention.

Therefore, the purpose of this study was to assess level of satisfaction / perception on appraisal system which exist in National bank of Pakistan and Habib Bank limited and its impact on affective org. commitment and turnover intention. As for as result and literature of this study concern that employees' perception of performance appraisal (EPA) is highly relevant to its work outcome; affective org. commitment (AOC) and turnover intention (TOI).

As discussed in previous chapter, that the required data of this study was collected through questionnaires from both banks (NBP & HBL) in Sukkur region. The all items of questionnaire were taken from prior studies to measure all variables of this study as discussed in research methodology chapter. In order to check reliability and validity of adopted items, effective tests were carried out. The nature of research was quantitative. So, that the primary data was used, which was collected through questionnaire. 300 questionnaires were circulated to sampled employees of both banks, among these questionnaires 287 were refunded. Thus, 257 questionnaires found correct while the rest 30 questionnaires were incomplete. The data was recorded in SPSS ver.25 and checked carefully to avoid human error. Finally, data was analyzed with help of statistical package for social science (SPSS ver.25) Excel and SMART- PLS. All tests are discussed in previous chapter in detail.

The results of this study shows that, the employees' of both banks are less satisfied with existing appraisal system. While the current level of affective commitment low and their intention to quit the job is medium.

Moreover, the results of correlation analysis shows that the employees' perception of performance appraisal has positive and significant impact on affective commitment and turnover intention.

X. CONCLUSION OF THE STUDY

The primary objective of this research was to know the respondent perception of both banks regarding existing process of appraisal and impacts on both dependent variables; affective commitment and turnover intention. As for as concern that performance appraisal remain an issue that has long-term on employees work outcomes. The study has achieved its three main objective and the conclusion of this is drawn as below:-

The very first objective of this research was to examine satisfaction of employees regarding existing appraisal process. So, that the findings of this study strongly suggests that the employees has low level of satisfaction with appraisal practices as overall average mean vale of (8) items of independent variable is 2.63 which is very low as prior studies suggested. It was also observed that employees of both banks (NBP & HBL) were indicating low level of affective org. commitment with average mean value 2.77. While the turnover intention has overall average mean value 3.03 which leads to leave of organization. But as some items of this variable has suggest that employees were not planning to leave the organization very soon till next job process so we can say that the level of intention to leave banks was medium. Therefore, as findings of the study highly suggests that the system of appraisal was unfair which leads employees to low level of satisfaction while the employees were not emotionally attached or personally attached which is affective commitment with organization. Whereas, from the (8) items of the turnover intention, indicates the future of the employees is major factor.

The second objective of this research was to analyze the impact of employees' perception of performance appraisal on affective commitment which leads to first hypothesis of (H1) of the study. The researcher tried to find out the positive relationship between employees' perception of performance appraisal with affective org. commitment. Thus finding (t-statistics > 1.96 which is 21.010 and P-value >0.5 which is 0.000) shows the significant relation in-between as hypothesis accepted.

Meanwhile, the second hypothesis (H2) was generated from the third objective of the study to identify the impact of employees' perception of PA on turnover intention. The researcher tried to show its significant relation between employees' perception of performance appraisal (EPA) with turnover intention (TOI). Thus, both (EPA and TOI) has significant but positive relation as results (t-statistics > 1.96 which is 20.880 and P-value >0.5 which is 0.000) suggests and hypothesis (H2) is rejected.

XI. RECOMMENDATION

It is very important for the organization that a reliable/ unbiased system of performance appraisal must be instigated for the employees in the organization to make every effort to achieve the organization's goals. If the system of appraisal based on biased/not fair, it is difficult to expect to better work performance, affective org. commitment and reduction of turnover. Therefore, as the results and conclusion of the study some major recommendations are suggested in the directive to change perception of employees on system of performance appraisal at both banks (NBP & HBL).

Meanwhile, on the basis of findings of the investigation that the employees' were not happy with the process of present system of appraisal in both banks and the some other areas are also considered to be low level of satisfaction. Current process of appraisal, equality and biasness system in the banks, may be no feedback system and appeal system and appraiser personal willingness or biasness may all lead to dissatisfaction among the employees. Therefore, the result has serious managerial implications to enhance satisfaction among employees of both banks. In order to change perception of the employees' organization must take serious notices and best possible ways to achieve its goals and objectives. Thus, the following activities must be considered:

- If the employee is not satisfy with process of appraisal, there must be appeal system without any restrictions.
- Provide positive feedback to those who they perform poor rather than criticizing.
- Appraiser must give an opportunity to employee to discuss on its performance evaluation.
- Develop the ways to communicate appraiser and his subordinate on that criteria which are going purely against appraise.
- Make it fair and unbiased.
- Develop the ways to evaluate on continuous basis the performance of employee.
- It must be job related rather than appraiser personal preferences.

As the mentioned in the descriptive chapter, employees of both banks had low level of satisfaction as the practices of appraisal may be bases on biased which decrease the trust on organisation, sense of belonging, personal attachment and emotional attachment. Therefore, the both institutions have to give due attention to continually improve level of satisfaction regarding appraisal practices and to enhance employee affective commitment and should make necessary efforts by developing different mechanism such as;

- Building trust on the mind of employees regarding performance appraisal practices.
- Establishing career and employee development plans.
- Providing opportunities to all employees to suggest improvement in the ways things are done (participation of employee).

Therefore, the management and human resources personnel should implement better incentives, internal growth and development opportunities, and a flexible and transparent work communication system. In order to obtain such positive results at work, the organization should apply a better performance evaluation system as a whole to improve employees' perception of performance appraisal, thereby increasing the expected work outcomes.

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