

Organizational Context Factors Influencing Procedural Justice in Performance Management System: A Research Framework

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Abstract: Research in the past has highlighted the need for exploring organizational contextual factors that impact the overall performance management system in general and performance appraisal system in particular. Current research has tried to develop a comprehensive framework of organizations' contextual factors that can impact procedural justice in performance management system. Propositions have been given to elaborate the impact of those organizational contextual factors on procedural justice in performance management system according to the socio-economic conditions of the market. Study offers a detailed insight through a systematic literature review on the factors that can enhance the performance and satisfaction at the workplace. Hence, such factors have been proposed in a combined way which would help emergence of a theoretical foundation for the context of procedural justice in performance management system. This would not only help the future researchers in empirical research on it; but the practitioners may also find it helpful in understanding the contextual needs for procedural justice in performance management.

Keywords: Performance management system, performance appraisal, research framework, systematic literature review

Introduction

Debate for procedural justice in performance management system is at high voltage especially in the researchers' community of developing countries of the world. Although all types of organizational justice are important but the procedural justice has more importance in the current world mainly due to competitive nature of job market and due to squeezing job opportunities in the work life, especially in performance management system (DeSimon, Werner, & Harris, 2002). Aim of performance management system should be to create a comfortable and productive working environment for an organization. Mossholder, Bennett, and Martin (1998) concluded in their multilevel analysis that individuals who perceive greater procedural justice report more job satisfaction. Performance management is "a continuous process of identifying, measuring, and developing the performance of individuals and teams and aligning performance with the strategic goals of the organization" (Aguinis, 2009; DeSimon et al., 2002). Performance management is one of the most important functions of human resource management.

Armstrong (2006) stated that performance management is generally equated with just the sole practice of performance appraisal but actually there are different functions like compensation and rewards, ongoing coaching and mentoring, performance appraisal,

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continuous feedback, job specific training and skill building etc. which are related to performance management. A study that was conducted by Development Dimensions International in 2000 kept performance management as the second highest priority of global businesses whereas their top most priority was leadership development. As a whole system, a performance management system should start right from the joining of an employee till the end of an employee's job tenure.

Many writers in the past research have made this mistake of attributing performance management to the sole practice of performance appraisal (Aguinis, 2009). A good performance management system is not just a onetime process. It actually remains an ongoing process throughout the job tenure of the employee. A good performance management system should be a source of motivation for the employee and a source of high performance for the organization. Procedural justice can be defined as the "fairness in different processes and techniques in all the above mentioned functions of performance management system" (Armstrong, 2006).

Decenzo and Robbins (2002) mentioned six step process of performance management system. These steps include establishing performance standards in line with the mission and vision of the organization, setting mutually acceptable goals, measuring performance, comparison of performance with the set standards, feedback mechanism and corrective actions. Cascio (2003) argued that prime aim of performance management system is to gain optimum level of performance from the employees of an organization. "Performance management requires willingness and a commitment to focus on improving performance at the level of individual or team every day." Casio emphasized on certain important factors that need to be considered for a good performance management system. These include defining the performance parameters for the employees, facilitating performance at the workplace and, defining the relevant reward mechanism. Similarly the procedural justice and ethical consideration is also important with respect to performance management system.

Akbar, Rashid, and Farooq (2018) researched on banking sector in Pakistan. Banking sector organizations are generally perceived by the research community to be the ones operating with "high performance work system." This research study tried to find the relationship between high performance work system and continuance commitment to change. Importance of change is well recognized in the organizations working on the principles of high performance work system. It was found that the perceptions of economic exchange fully mediates the relationship between high performance work system and continuance commitment to change. Hussain and Shahzad (2018) found that using the underpinning role of social identity theory (SIT) that leader member exchange also affects the job performance of employees in the organizations. Therefore, it can be concluded that role of leader member exchange also has link with justice in performance management system of the organization. This research can be further explored by the future researchers.

Haines and St-Onge (2012) stated that most of the past research on performance management has focused on technical and measurement aspect. But very little research has focused on effectiveness and the useful practices that could enhance the effectiveness of performance management system. Hence, it is thought that effective practices for perfor-

mance management will enhance procedural justice in performance management system. New approaches concerning procedurally just performance management system should be addressed in the light of organizational contextual factors; that may vary across business sectors (Iqbal, Akbar, & Budhwar, 2015). Therefore there is need to have specific research framework that could make some contribution for enhancing procedural justice in performance management system. That is the reason for which a new research framework has been proposed that not only addresses this gap but will contribute in enhancing satisfaction at the workplace as this model has been linked with the work of Taylor, Masterson, Renard, and Tracy (1998).

The purpose of this study is to do a systematic literature review of past research on procedurally just practices in performance management system on the basis of yearly and conveniently available prominent research. And to identify those practices which contribute in enhancing the level and perception of procedural justice in performance management system. This will prove helpful in identifying the results of procedurally just performance management systems for the organizations. Furthermore, the purpose is to develop a flexible research framework that identifies the manner for creation of procedurally just performance management system for future empirical research to prove the new framework across different contexts, and to generate theoretical foundation leading to future inductive and deductive analysis of further testing and possible validation of theoretical model and supportive propositions presented in this study. This has been done based on systematic review of available authentic secondary data that will also help in meta-analysis on the subject of this study in future.

Motivation of the Study

As past research mainly focused on the role of procedural justice in performance management system. While this comprehensive review paper is an addition in the body of knowledge in this regard that it has identified many of such factors which actually constitute the procedural justice in performance management system. In the overall picture, performance management system has been studied as an overall construct with just the limited impact of factors such as procedural and distributive justice. This research is comprehensive review research that has identified the factors which enhance the body of knowledge. This study is a conceptual review and not a typical empirical qualitative or quantitative study. Relevant literature and past theories have been cited but as this study is not a deductive study, hence no specific underpinning theory has been overly specified with the model of this study. Anyhow, this model can open a direction for future researchers to conduct empirical verifications of both qualitative and deductive nature.

The Organizational Context

According to different research studies, the performance management and especially for high performance, organizational context is important. Defining organizational context and then following it effectively can help the organization in maintaining an effective performance management system (St-Onge, Morin, Bellehumeur, & Dupuis, 2009; Haines &

St-Onge, 2012). Moreover, Erdogan (2002) highlighted the role of social contextual factors that may impact the performance management in the organizations. Employees' perception about the performance management practices is critical in performance management. Trust, organizational citizenship behaviour and leader member exchange are the important factors in constituting the social context in the organization (Zheng, Zhang, & Li, 2012).

In this research, an effort has been made to add economic aspect in this performance related scenario which is the reason why socio-economic market condition has been defined as a mediator that will impact the variables' relationship in this research framework. DeNisi and Smith (2014) mentioned the importance of employees' motivation in performance management process. Dattner (2013) also highlighted that the importance of contextual factors for designing performance management system. It was also proposed that each organization should customize its own performance management and appraisal system according to the need and size of the organization.

Procedural Justice and Performance Management System

"In the past, there has been a debate about the effectiveness of performance management" (Schraeder, Becton, & Portis, 2007). Often the employees report different grievances with respect to performance management including misunderstandings in psychological contracts and lack of job enrichment etc. Personal biasness and nepotism at the workplace is also a challenge for employees of modern day organizations. Studies on procedural justice aspect came to the conclusion that there was not much previous research for procedural justice in performance management system (Espino-Rodríguez, Chun-Lai, & Gil-Padilla, 2017). Procedural justice hereby means the justice or perception of fairness in operating procedures / managerial practices of performance management system. It is more important from employees' perspective.

Justice in the organizational procedures and especially in the HR practices is very important for the organization (Judge & Ferris, 1993). And performance management is one of the most important practices of Human Resource Management. Taylor et al. (1998) stated that a performance management system having procedural justice in it is more acceptable at all hierarchical levels in the organization. It helps in better workplace relations between employees and management. It also reduces the chances of distortion in performance appraisal results there by increasing the level of acceptance for the performance appraisal results. Significance of such a study has enhanced in the present scenario of economic crisis in the commercial world including that of Pakistan. The situation has jolted the private sector firms where private companies are actively involved in downsizing their staff. In such a situation, there hardly remains a focus on a procedurally just practice even while exercising the activity of performance management. The downsizing policy of the organizations is often linked with the results of performance appraisal.

Robert (1984) emphasized on some of the important workplace needs of the employees. Some of those needs are like respect for work, social and financial security and joy in the work etc. This stance is somehow linked with the earlier theory of Maslow's Hier-

archy of Need that employees' needs should be fulfilled stepwise in a hierarchical order. Few other theories like Adam's Equity theory etc. also support this stance of the need for justice to the employees at the workplace. Recognition of effort, reward structure, social adjustment and work as per the interest of employees are all the needs that employee requires from the workplace. It was further elaborated that stress at the workplace is one of the growing concerns for managers of the modern day workplace. One of reasons for increase of stress in modern day workplace is high level competition in the business world and demand for high performance from employers of the organizations. Stress factor if remains unmanaged then it can spoil the relationship between the employees and supervisors. Stress can later on create health hazards for the employees of the organizations. It is the responsibility of managers to identify the symptoms of stress and to manage it as soon as possible for the employees of the organization. Better time management practices can also help in reduction of the stress of the employees. Hence a manager can adopt supportive behavior or the directive behavior as per the need of the time. But the modern research recommends the use of supportive behavior of managers for effective stress management and for high performance of employees. Parameters of job satisfaction may be different for the employees and for the managers of the organizations. In his research, he tried to measure the level of managers' job satisfaction along with the job satisfaction of employees in the same research. Overall he found that managers were more satisfied from their jobs as compared to the employees of the organizations. Perhaps one of the reasons in this additional job satisfaction for managers was that work systems were designed by the managers themselves. He recommended that both the managers and the employees of the organizations should be equally informed about the performance management systems in the organizations.

Lee (1985) emphasized that researchers in the past had been trying to find one best method of performance management that could be applicable for all kinds of organizations. But according the modern research, performance management styles should be adopted according to the nature of the organization. It must be according to the nature of the task. For example, requirement of performance management for a factory worker would be very much different as compared to an office worker. So while keeping those considerations in mind, fairness and procedural justice can be enhanced in the organization. So design of proper performance management structure and its orientation / training for both the ratee and rate can enhance the procedural justice in the overall performance management system (proposition 2).

Ilgen and Favero (1985) explained that the concept of performance appraisal was taken from the social psychology. But it requires a more general adaptive pattern as it has been for case that it is considered a function under the modern HR practices. In 1970s, researchers realized that performance appraisal methods were not measuring the behavioral aspects of the employees. Perception about performance appraisal also matters a lot in the organization. Primarily there are three theories that address this aspect of perception of performance appraisal at the workplace. These theories include attribution theory, implicit personality theory and social cognition theory. According to attribution theory, a person perceives according to the perception that he / she holds in the mind about something. Implicit personality theory explained that a person perceives on the

basis of relationship, features and personality aspect of other. While social cognition theory assumes the use of cognitive details attached to the social and psychological context of individual's perception. Many researchers have linked these theories with the aspects of performance management in their researches. England and Parle (1987) studied organizations in urban areas of American culture and reached to the conclusion that there is a need to differentiate between managerial and non-managerial aspects of performance appraisal.

Campbell and Lee (1988) explained that how useful it is to have self-appraisal mechanism in the organization after having mutually agreed goals. They emphasized on the need for having "management by objectives" in the organization. "Shrauger and Osberg (1981) recognized this potential by suggesting that self-prediction may foster a self-fulfilling prophecy." Eberhardt and Pooyan (1988) proved through an experimental study that employees dislike changes in existing performance management system and especially those changes which are abrupt and are not based on consensus. Inderrieden, Keaveny, and Allen (1988) explained that performance management should prevail in the organizations as a continuous system rather than just a onetime activity. In the recent past, performance appraisal interviews and feedback have got some attention. This interactive mechanism keeps the employees well informed and reduces distortion of performance appraisal results. Further this research establishes that the performance benchmark should be set at the start of the year.

Longenecker and Ludwig (1990) stated that business world is becoming dynamic and performance appraisal has become an integral part of the organizations. It is equally important to understand managers' perspective along with the employees' perspective with respect to performance management. It is also important to understand the ethical dilemmas linked with performance management system to suggest new models for addressing those ethical aspects in the organizations. This research found that few managers admit that they deliberately manipulate the results of performance management for different reasons. In typical cases of manipulation of performance appraisal results, employees / rate's level of satisfactions gets dropped and misunderstandings get increased in the organization (Lawler, Mohrman, & Resnick, 1984). Smith (1990) studied the structure of reporting in public and private sector in UK based on the available data of 1990's. It was concluded that reporting mechanism of private sector organization was more transparent as compared to public sector organizations. So these implications can be generalized on the processes of performance management system of public sector organizations which probably have even better requirement for improvement.

Thomas (1990) stated that diversity is now becoming an integral component in the workplace. Diversity means having people of different cultural context in the same workplace. "Diverse workplaces may include male, female, physically disabled, gays, lesbians and elderly." It is a massive task for modern day managers to manage the performance of employees accordingly. Leary and Kowalski (1990) explained that impression management of employees is an art for the modern day managers. Professional managers should be good assessors of employees' impression and nonverbal cues for better management of performance indicators. Research on impression management has got some attention in the recent era and it is the need of the hour to link impression management with perfor-

mance management of the employees. Much of the previous research has focused on the strategic management aspects for the organizations. Performance management should also be treated as a strategic tool by the managers of the organizations. [Dobbins, Platz, and Houston \(1993\)](#) explained the role of trust in performance appraisal process. Trust of the employees on rater's ability and procedural justice enhances the acceptance of the whole performance management process. *"It is pertinent to mention that performance appraisal is just one of the components of performance management system"* (Author's conceptualization). Performance management system in itself is a whole process and performance appraisal is an integral component of it. It is important to note that post appraisal satisfaction was not measured in this research.

[Gilliland \(1993\)](#) was of the view that the employees' perceptions of justice in the organization's human resource management procedures is not just important for existing employees but for the potential future employees of the organization. It is because the current employees create a word of mouth for the potential future employees. Organizational justice can be studied from different perspectives and in this study, it was studied from the perspective of new employees' selection in the organization. In this research, level of procedural justice was studied in the processes of new employees' selection in the organization. A new model of procedural justice was given in this research which comprised of ten rules. Distributive justice was also studied in this research with respect to equity, equality and needs. Ten rules that were suggested for procedural justice in the organizations were further categorized into three categories. Those three categories were formal characteristics, feedback and interpersonal treatment.

[Ball, Trevino, and Sims Jr \(1994\)](#) analyzed some past research with respect to positive and negative aspects of punishment on the basis of performance appraisal results and its potential outcome on behavior of the employees. People may react aggressively when they perceive that they received an unfair treatment at the workplace. These arguments are also supported with the work of researchers like [\(Arvey & Jones, 1985\)](#). So theory is required to set direction to such arguments. [Bowman \(1994\)](#) presented the role total quality management as an alternate mean to performance appraisal. Performance appraisal is a process that gives more of an undue authority to the rater and the employee being rated always remains at the receiving end. TQM can be considered as an alternate mean of performance appraisal as it focuses on the already set performance benchmark for the employees. TQM considers standard benchmarks and focuses on continuous improvement while performance appraisal focus standards that were set for one time. Research on TQM as a performance mechanism was further done by researchers [\(Ghorpade & Chen, 1995\)](#).

Perception of fairness in organizational reward system is most important. Perception of unfairness in reward structure can cause conflict, organizational politics and tension at the workplace. Reward structure in organizations is normally linked with performance management system. Therefore it is important to have fairness in the reward structures of the organizations. [Shibata \(2000\)](#) explained transformation of wage mechanism in modern economies like USA and Japan. There is a shift in fixed pay structure to performance based in some of the developed eastern countries like Japan. USA already has that performance based pay compensation structure. Traditionally performance appraisal was done

in Japanese companies with three considerations including achievement, ability and attitude. But in 1997, there was a shift in this policy and the practice of "Management by Objectives" (MBO) was introduced which focused on joint goal setting and mutually accepted evaluation mechanism.

Richer and Fay (1995) explained that industry in United States of America primarily relied on scientific management during 20th century. But the dilemma is that now the industrial demand is work re-design. Growing competition and demand for high performance work system requires different styles of management beyond just the scientific management. Cropanzano and Konovsky (1995) argued that employees remain tolerant to different screening techniques at the workplace like drug screening etc. till the time they perceive fairness in the procedures and till the time manipulation is not done.

Kim and Mauborgne (1996) emphasized that procedural justice affects the in-role and extra role behaviour of the employees in multinational organizations. In this research, managers' reactions were studied with respect to perceived justice of resource allocation within the organizations. A positive relationship was found between procedural justice and dimensions under consideration. These dimensions were duties, achievement of goals and organizational interest. This is the pioneer research that explored procedural justice in context of in-role and extra role behaviour of managers. Job designing in a professional manner enhances the organizational performance. Recent research has proved that effective job designing can enhance the performance of employees especially in the cases where performance of employees is low. Traditional view of maintaining work operations started in the eighteenth century when Adam Smith presented the of workforce specialization. At the beginning of 20th century, Fredrick B Taylor implemented Smith's theories and further promoted the idea of scientific management. But later on, concept of operations management got more popularity. And at the heart of operations management resides performance of an entity.

Organizations that provide flexible working facility to the employees are more productive. In fact, employees' facilitation enhances their commitment and loyalty towards the organization. Farh, Earley, and Lin (1997) did a research in China for studying the relationship between organizational citizenship behaviour and organizational justice. Research concluded that both the domains are linked with each other especially in case of high modernism. As they monitored the gender differences in their research, so they concluded that this relationship was found stronger in men than in women. There is link between justice in performance management system and ethical benchmarks of the organizations. Ethical benchmarks of the organizations may help in understanding level of organizational justice in performance management system. Folger (1986) noted that both the procedural and distributive justice are very much linked with each other. Positive perception of procedural justice can enhance the level of distributive justice in the organizations. Taylor et al. (1998) further emphasized the importance of procedural justice in performance management system. Mossholder et al. (1998) concluded in their multilevel analysis that individuals who perceive greater procedural justice report more job satisfaction. Janssen (2001) stated that it is also the managers' perception of organizational justice that enhances the satisfaction at the workplace.

Shore, Adams, and Tashchian (1998) found in their research that the personal relation-

ship between the manager and employee also matters a lot in the evaluation. Research proved that those managers who knew that their subordinates rated them good while evaluating their manager did the same for their subordinates. *"Accountability theory posits that the rater is motivated to distort the performance evaluation upward to a level similar to the subordinate's rating in order to avoid a negative confrontation when giving performance feedback."* So it is not always the employee, at times the managers also create conflicting situation at the workplace. [Whitener, Brodt, Korsgaard, and Werner \(1998\)](#) also explained that the managerial behaviour is very critical determinant at the workplace with respect to perception of justice. With respect to explanation of established theory, agency theory describes the economic exchange relationship between two parties. But importantly, it ignores the aspect of trust in this relationship. *"Agency theorists describe the structuring of economic exchange relationships between two parties"* ([Eisenhardt, 1989; Janssen, 2001](#)). Other than the agency theory, social exchange theory is also important which explains the social behaviors at the workplace. Past research has explained that the existence of social and economic relationship at the workplace helps in building trust at the workplace. [Scott and Einstein \(2001\)](#) argued that team based work structure is getting popularity in modern day organizations. But traditionally performance appraisal philosophy of *"one size fits all"* would not be applicable for such work systems. [Spears and Parker \(2002\)](#) stated that pre-appraisal training of assessors and employees regarding performance appraisal system can be very helpful. [Decenzo and Robbins \(2002\)](#) stated that documentation and feedback in performance management can enhance the procedural justice in performance management system. [Roberts \(2003\)](#) explained some factors which reduce the participation of employees in the performance management system. These factors include lack of motivation, lack of feedback and lack of participatory management structure. [Thibaut and Walker \(2003\)](#) elaborated that those business which provide different kind of work related facilities to the employees remain successful in developing the positive perception regarding the organization justice. He quoted the example of those organizations that are working in the IT sector where IT facilities help the employees. Such job related facilitation enhances the employees' perception of organizational justice.

[Dhiman and Singh \(2007\)](#) stated that there is no doubt about the importance of performance management as an HR function but its effectiveness is also doubtful. For example, in the function of performance appraisal, chances of error always remain there. Comparatively, it is the 360 degree performance appraisal which is more effective as compared to other performance appraisal methods. [Posthuma and Campion \(2008\)](#) stated in the recent research, lot of focus has been on the design of effective performance management system but there has been very little focus on its implementation. . Such training interventions can enhance to perception of procedural justice in the organization. [Gorman and Rentsch \(2009\)](#) stated that training of supervisors can enhance the accuracy of this process. Some supervisors who see the workplace as unsatisfactory may decrease the performance expectations ([Edwards & Kudret, 2017; Özduran & Tanova, 2017](#)).

[Pan, Chen, Hao, and Bi \(2018\)](#) proved through the empirical evidence that overall behavioral of different stakeholders becomes positive with the presence of organizational justice. Such positive behaviour has the potential to improve the individual and the organizational performance. [Akram, Haider, and Feng \(2016\)](#) did an empirical research in

China in the telecom sector and proved that all the forms of organizational justice have association with the innovative work behaviour of the employees. Innovation in the workplace supports the change and development in the organization. Hence, this establishes the fact that procedural justice is not only necessary for the positive work behaviours but also for the innovative work behavior at the workplace. [Iqbal \(2017\)](#) found that organizational justice has positive impact on the employees' performance in the public sector organizations as well. This study was conducted in Pakistan and for a public sector organization. [Warokka, Gallato, Thamendren, and Moorthy \(2012\)](#) found during their research on performance appraisal that the interactional justice is most powerful during and after the performance appraisal process. But this study only focused on the one aspect of performance appraisal in a specific context. However, for overall performance management, procedural details are of vital importance.

Overall, there has been the research on organizational justice literature in progress as early as four decades ago like for example when ([Thibaut & Walker, 1975](#)) did work on procedural justice. But notable contributors for organizational justice theory like [Cohen-Charash and Spector \(2001\)](#); [Colquitt, Conlon, Wesson, Porter, and Ng \(2001\)](#) have found that all four types of organizational justice have positive impact for the receivers as well as the organizational authorities. Such work has proved to be of significance underpinning importance for contemporary research.

Although there are different theories that can be used as underpinning theories for performance management research. But two theories have been extensively cited in performance management research. These theories are, 1. Goal setting theory and 2. Expectancy theory. Edwin Lock presented Goal setting theory in 1968 which states that individual goals set by the employees help them in achieving high performance. If the employees don't gain required targets, then they improve their performance. Hence, it meets the objective of performance management. Expectancy theory was presented by Victor Vroom in 1964. This theory states that individual tend to achieve performance goals in anticipation of rewards and future events ([Salaman, Storey, & Billsberry, 2005](#)).

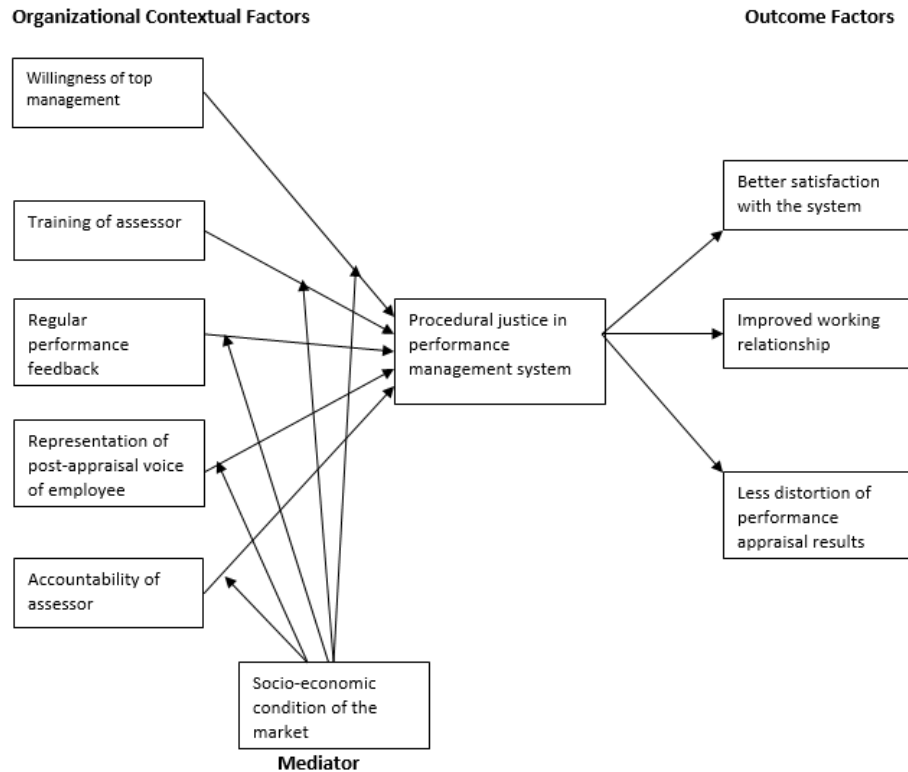
Research Framework for Procedural Justice in Performance Management System

Figure 1 shows a schematic diagram of proposed research framework on procedural justice in performance management system. Outcome variables are linked with the work of [Taylor et al. \(1998\)](#) from Academy of Management Journal.

Pre-Appraisal Training of Assessor

of performance management cycle are performance planning, performance appraisal, performance feedback, caching and mentoring, rewards and punishments, performance based contracting and psychological contracts etc.

Figure 1
Research Framework



Haines and St-Onge (2012) stated that with the above mentioned critical functions of performance management system, managers need to be well trained in the related aspects. Much of the research in the past has also focused on performance management related training for managers (Bernardin, Buckley, Tyler, & Wiese, 2000; Tziner, Murphy, & Cleveland, 2005). There may be different types of trainings that may be useful for the supervisors in effective rating process. For example, frame of reference training is one such example of trainings for supervisors. Posthuma and Campion (2008) stated that training interventions may increase the perception of justice within the organization with reference to performance management system. Haines and St-Onge (2012) stated in their research that there is positive association in appraisal relevant trainings of supervisors and effectiveness of performance management system.

Hence on the basis of literary debate and past research, following is the proposition 1 of this research.

Proposition 1: Pre-appraisal training of assessor (supervisor) enhances the level of overall procedural justice in performance management system of the organizations.

Periodic Performance Feedback

Haines and St-Onge (2012) stated that feedback is critical for effectiveness of the organizations. Especially if it is the multi-source feedback then it can greatly help the organizations' employees in having a perception of justice with reference to performance management practices. Multi-source feedback is the alternate name for 360 degree performance appraisal. Smither, London, and Reilly (2005) stated that performance improves for those employees who receive multi-source feedback. Hence on the basis of general observation and above stated literary debate, following is the proposition 2 of this research.

Proposition 2: Periodic (continuous) performance related feedback of supervisor to the employee enhances the perception of procedural justice with the performance management system.

Representation of Post-Appraisal Voice of Employee

Performance appraisal related communication, procedural justice and job satisfaction have a direction relationship. They have given a detailed literary review of previous research in favour of representing post appraisal voice of employee and betterment in the performance management systems. Hence, based on the previous literary debate, following is the proposition 3 of this research.

Proposition 3: Representation of post appraisal voice of employee in front of acceptable HRM personnel and in front of top management enhances the level of procedural justice in performance management system.

Willingness of Top Management

Role of leadership and especially the transformational leadership is important for effectiveness of performance management system. If the top management adopts a transformational role, it may help the organization in shaping up a good performance management system. Some other researches also support this area of study (Agle, Nagarajan, Sonnenfeld, & Srinivasan, 2006; Colbert, Kristof-Brown, Bradley, & Barrick, 2008). Hence on the basis of a wide range of observation from organizations and on the basis of above literary debate, following proposition has been extracted for this study.

Proposition 4: Willingness of top management of organizations for creating a transparent system of performance management enhances the level of procedural justice in performance management system of the organization.

Accountability of Assessor / Supervisor

Latham, Almost, Mann, and Moore (2005) stated that accountability of assessor after the performance appraisal can enhance the perception of justice and the effectiveness of performance management process. Hence on the basis of general observation and on the

basis of previous related researches, following is the proposition of this research.

Proposition 5: Post appraisal accountability of assessor enhances the level of procedural justice in performance management system of the organizations.

Socio-Economic Market Conditions

Based on the literary details given in the section of “procedural justice in performance management system”, it has been concluded for this research that there are different factors of socio-economic conditions of the market like employment ratio in the sector, overall economic situation in the job market, trends of HRM in a particular culture etc. These socio-economic factors can further explain the complex relationship between the constituents of procedural justice which may vary across business sectors. So following is the proposition 6 for this research.

Proposition 6: Socio-economic conditions of a particular market / business sector will mediate the relationship between the constituent factors of organizational context and procedural justice in an organization.

Outcomes of Procedural Justice

Based on the earlier work of [Taylor et al. \(1998\)](#), this model gives further strength and replication to that study. Following are the next few propositions of this study.

Proposition 7: Procedural justice in performance management system will enhance managers' satisfaction with the performance management system.

Proposition 8: Procedural justice in performance management system will reduce distortion of performance appraisal results.

Proposition 9: Procedural justice in performance management system will contribute to improved working conditions.

Discussion / Theoretical Implications

As it is evident in the model that procedurally just performance management system depends on different variables. In a small scale research framework, only a limited number of variables can be discussed. So there is need to bring in more variables, different contexts, application of this proposed model in different settings / sectors. More of the replication of this model will strengthen the belief in the findings of this study as this proposed model is in line with the earlier literature review which has been systematically presented in this study. Current research has extended the existing body of knowledge with respect to developing a comprehensive framework of organization's contextual factors that can

impact procedural justice in performance management system. As past research mainly focused on the role of procedural justice in performance management system. While this comprehensive review paper is an addition in the body of knowledge in this regard that it has identified many of such factors which actually constitute the procedural justice in performance management system.

Performance management is generally equated with just the sole practice of performance appraisal but actually there are different functions like compensation and rewards, ongoing coaching and mentoring, performance appraisal, continuous feedback, job specific training and skill building etc. Many writers have made this mistake in the past research (Aguinis, 2009). A good performance management system is not just a onetime process. It actually remains an ongoing process throughout the job tenure of the employee. A good performance management system should be a source of motivation for the employee and a source of high performance for the organization. So it is very recommendable for the future researchers to emphasize that performance management is not just a onetime activity and the sole purpose of performance management system is not just the performance appraisal. Performance appraisal is actually just one function of performance management system. To be more precise, there are authors who have defined the performance management system in a way that they have identifies the steps involved in the process. Decenzo and Robbins (2002) mentioned six step process of performance management system. These steps include establishing performance standards in line with the mission and vision of the organization, setting mutually acceptable goals, measuring performance, comparison of performance with set standards, feedback mechanism and corrective actions. Based on the above discussion, it can be inferred that researchers need to remain careful regarding putting extra emphasis on just the performance appraisal. There is need to work on the broader scope of performance management system. Some of the steps as identified by Decenzo and Robbins (2002) may need extra focus for future research. Similarly as this model needs empirical replication, there is need to bring in more variables or different contexts that could contribute in creating a procedurally just performance management system. There is also a need to test this model with different moderating and intervening effects.

Practical Implications

The propositions and the model given in this study may have useful implication for partitions and academia. As the performance management system is often taken as just the performance appraisal and the process has been hardly seen with respect to the perspective of functional effectiveness and procedural justice. Hence it is equally recommend for practitioners and to do empirical replication for academicians. One limitation of this model is that it is non empirical. So it is highly desired that the model may be used for empirical organizational level study in different contexts, cultures and in different sectors although researcher (author) has already performed a small scale quantitative analysis on this model for academic requirement of mater's thesis and this research is the extraction of that work. In this paper, an effort has been made to create realization that a good

performance management system is not just a onetime process. It actually remains an ongoing process throughout the job tenure of the employee. A good performance management system should be a source of motivation for the employee and a source of high performance for the organization.

Performance management is a continuous process that starts right from the time an employee joins the organization till the time he leaves the organization. And for performance management of organizational or operational activity, that specification of being a "continuous activity" has to remain there. It is because it is the continuous monitoring of any entity that ultimately identifies the concerns for improvement and corrective action. Economic crisis in the recent decades in different parts of the world has stimulated the organizations to opt for downsizing and right sizing. But in the countries like Pakistan where private sector organizations have not been regularized as such; employees in them are facing issues like nepotism, network based hiring and at times they leave the jobs themselves. Hence the turnover ratio in private sector organizations is high in countries like Pakistan. Business managers who want stable organizations with reduced turnover ratio, may opt for this model presented that is presented in this study and this would help them understand the practices which would enhance procedural justice in their organizations.

In the whole process of performance management, managers have to keep in consideration that perception of justice matters a lot at every stage of the performance management system. Those stakeholders who will perceive the performance management system to be fair would become a source of potential benefit for the organization. As employees are the direct stake holders of the organization plus may be the potential beneficiary or victim of this system, their positive perception about procedural justice in performance management system would result in less distortion of performance appraisal results, better environment of workplace and improve workplace relations (Taylor et al., 1998).

Limitations of the Study

Although an effort has been made to carry out careful systematic literature review for this non empirical study, but still just like any other study, this study also has some limitations. This is just a non-empirical study. An empirical study in organizational context will provide extra strength to this model. This model still needs to be tested in different organizational and cultural contexts. Of late, there is focus on emerging performance related concepts, like that of psychological contracts as introduced by Rosseae. New models such as the one proposed in this study need to take these kind of emerging performance related variables. An effort has been made to carry out the systematic literature review for this model in the best possible manner. But yet, these findings are based on the available researches that researcher could access in a limited period of time. There is a need to conduct a comprehensive meta-analysis on procedural justice in performance management system that could cover all the previous authentic researches.

Conclusion

After having a detailed literary analysis for this review paper, it is concluded that the recommended organizational constituent factors for procedural justice as presented in the proposed model will improve the overall process of performance management system. Model of [Taylor et al. \(1998\)](#) was linked with this proposed model suggesting the potential outcomes for this study. Hence it gives a validation to that work of [Taylor et al. \(1998\)](#) that was published in Academy of Management Journal. An effort has been made to write the literature on procedural justice in performance management system in a systematic way on yearly basis and depending on suitability of arguments. Furthermore, this research can help for such a meta-analysis level study on this subject. It is desired that this model may be applied in practical scenarios with empirical level study. Arguments and critique of contemporary scholars would be appreciated.

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