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The Role of Equity and Justice in Mediating the Relationship Between Performance Appraisal and Employee Performance: Evidence from Lebanon

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Abstract

The performance appraisal system is defined as general satisfaction with the performance appraisal system. It is used to assess employees' attitudes towards the fairness of the appraisal system, as well as their satisfaction with their knowledge of the appraisal system. This study aims to investigate the relationship between performance appraisal satisfaction and employee performance with equity as a mediator of this relation. There is limited research that studied the mediating effect of performance appraisal on the relationship between organizational justice and work performance. The research implemented the quantitative methodology throughout distributing questionnaires using google forms for data collection. Only 181 respondents out of 221 respondents answered the questionnaires. The data had been analyzed using the AMOS tool for performing structural equation modeling (SEM) analysis to validate the mediating relationship of equity and justice on the relationship between performance appraisals satisfaction and employees' performance. The results indicated that achieving organizational fairness and equity in the workplace can be done by the implementation of performance appraisal satisfaction, which can lead to higher productivity in the workplace, which in turn will enhance the organization's image among its competitors.

Keywords: Justice, Equity, Performance Appraisals Satisfaction, Employees Performance

JEL Classification Code: O15, O31, J53

1. Introduction

When employees feel that their efforts and achievements are not fairly assessed and rewarded, they are less motivated and committed to the organization. Biased performance appraisals can also have a 'self-fulfilling prophecy effect. When employees do not perceive the organization values them, they may actively refrain from applying their full and best effort. On the contrary, when employees perceive fairness in the evaluation processes, they are more likely to accept

feedback and motivate themselves accordingly to improve performance. Performance evaluation methods often involve feedback sessions, work-performance processes, self-assessments, and employee performance requirements. The purposes of the annual performance evaluation process are to promote communication and provide useful feedback about job performance, to facilitate better working relationships, to provide a historical record of performance, and to contribute to professional development.

Distributive justice is conceptualized as the fairness associated with decision outcomes and the distribution of resources. Distributive justice refers to the perceived fairness of an actual appraisal rating. For performance appraisal, distributive justice focuses on the perceived fairness of the appraisal rating or outcome received in relation to the actual work performed. Abuhashesh et al. (2019) described two types of distributive justice are internal and external equity.

This research aims to study the relationship between performance appraisal satisfaction and employee performance with equity as a mediator of this relation. It aims to fill a research gap; to analyze the mediating effect

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of performance appraisal on the relationship between organizational justice and work performance, and set recommendations for achieving organizational fairness and equity in the workplace by the implementation of performance appraisal satisfaction, which can lead to higher productivity in the workplace, which in turn will enhance the organization's image among its competitors (Figure 1).

2. Literature Review

2.1. Organizational Justice

Organizational justice is the study of people's perceptions of fairness in organizational contexts. The organization's commitment to equity is of the same importance as its commitment to the compensation system implemented. Hence, employee insights of fairness and unfairness are of equal importance when the organization is setting a compensation system. Al-Omari and Okasheh (2017) stated that distributive justice is of high relevance to the equity theory. Distributive justice mirrors the recognized fairness of the decision-making outcomes, and whether outcomes are fair or not. Equity comparison takes place among employees even if they are not on the same team or in the same organization. Equity theory is based on the idea that individuals are motivated by fairness. In simple terms, equity theory states that if an individual identifies an inequity between themselves and a peer, they will adjust the work they do to make the situation fair in their eyes. As an example of equity theory, if an employee learns that a peer doing exactly the same job as them is earning more money, then they may choose to do less work, thus creating fairness in their eyes. Edien (2015) elaborated that external equity arises when the comparing employee has the same position but works for another organization. Chouhan et al. (2016) stated that external equity refers to the relationship between one company's pay levels in comparison to what other employers pay. Procedural justice is the theory that the rules and expectations that govern a work environment or company allow all employees to be treated fairly and by the same set of guidelines. Procedural justice is based on appropriate and equal interaction, creating a consistent culture in which employees may work.

2.2. Performance Appraisal

A performance appraisal is a regular review of an employee's job performance and overall contribution to a company. It helps employees to increase their performance and distributes the outcomes. Companies use performance appraisals to determine which employees have contributed the most to the company's growth, review progress, and reward high-achieving workers. Mahmoud and Reisel (2015) differentiate between performance appraisal and performance management. Zeffane and Melhem (2017) stated that performance management starts with performance appraisal but it continues to set goals for employees, provide them with the necessary training, and provide rewards to employees with an outstanding performance.

2.3. Equity's Impact on Performance Appraisal

Performance appraisal may be understood as the assessment of an individual's performance in a systematic way, the performance being measured against such factors as job knowledge, quality and quantity of output, initiative, leadership abilities, cooperation, dependability, etc. Performance appraisal indicates the level of desired performance, the level of actual performance, and the gap between the two. Once the gap is found, it can be bridged through training and development (Thanh & Toan, 2018). In performance appraisal systems, people acquire satisfaction of appraisal when the system meets the principles of justice, also known as organizational justice. Many theories state that the role of the employee in the appraisal system is highly connected with his satisfaction with the system. Mahmoud and Grigoriou (2017) mentioned that lack of employee performance appraisal training can result in inflation/deflation of performance which therefore will affect employee satisfaction. Therefore, the first hypothesis is:

H1: Perceptions of distributive justice will be positively and directly related to employees' satisfaction with the performance appraisal.

Internal equity motivates the employee to ask for fair treatment as other employees working in the same organization. However, external equity motivates employees to get similar treatment of employees in other organizations. Performance

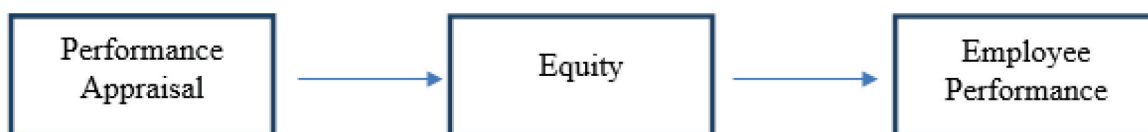


Figure 1: Relationship Between Performance Appraisal and Employee Performance

management is not only concerned about performance assessment, but it takes into consideration rewarding employees on their performance, as rewards play a big role in motivating employees to keep and adjust their performance.

The internal and external analysis allows an organization to evaluate the compensation plan based on the fairness of employee compensation. The impact of the internal and external forces is important when dealing with the pay structure. Equity pay is ensuring that all parties involved are receiving the same benefits based on internal and external factors (Dahkoul, 2018). Hence, the second and third hypotheses are:

H2: *Perceptions of Internal equity will be positively and directly related to employees' satisfaction with the performance appraisal.*

H3: *Perceptions of external equity will be positively and directly related to employees' satisfaction with the performance appraisal.*

Procedural justice refers to the idea of fairness in the processes that resolve disputes and allocate resources. It is a concept that, when embraced, promotes positive organizational change and bolsters better relationships. In the context of performance appraisals, procedural justice pertains to the apparent fairness of the procedures by which an individual's performance is evaluated. DeNisi and Murphy (2017) stated that encouraging frequent feedback before evaluation, communication, the supervisor's knowledge of the subordinate's performance, and the use of ethical standards in the performance appraisal system is part of achieving procedural justice in the performance appraisal system. Therefore, the fourth hypothesis is:

H4: *Perceptions of procedural justice will be positively and directly related to employees' satisfaction with the performance appraisal.*

2.4. Equity's Impact on Employee Performance

Perceptions of distributive justice can be fostered when outcomes are perceived to be equally applied. Distributive justice may involve one or more of three different rationales for how resources are distributed: equity, equality, and need. Equity focuses more on rewarding employees based on their contribution, and thus can be viewed as distributive justice: the ratio of one's inputs to one's outcomes. Equality on the other hand provides each employee with the same compensation. Finally, need is providing a benefit based on one's personal requirement. Therefore, the fifth hypothesis is:

H5: *Perceptions of distributive justice will be positively and directly related to the employee performance at the organization.*

Many studies have proven that compensation for staff is connected to the attitudes of workers. Mahmoud and Reisel (2014) argued that internal equity increases the salary level of an employee, while their fellow employee receives equal or less than the initial pay of the same company. However, internal equity decreases because the employee receives less compensation than the salary paid to his/her colleagues in the same organization. On the other hand, external equity increases since the salary of employees who are not from the same organization fall below the defined salary levels. Hence, the sixth and seventh hypotheses are:

H6: *Perceptions of Internal equity will be positively and directly related to the employee performance at the organization.*

H7: *Perceptions of external equity will be positively and directly related to the employee performance at the organization.*

In the context of performance appraisals, procedural justice pertains to the apparent fairness of the procedures by which an individual's performance is evaluated (Eisinga et al., 2013; Becker & Lee, 2019). Kampkötter (2017) stated that procedural justice contains two mechanisms. First, as guided by fairness theory, procedural justice may lead to intrinsic motivation and performance through positive affect. Since intrinsic motivation is commonly associated with enjoyment, pleasure, and positive affect then intrinsic causation of positive affect will consequently increase intrinsic motivation and creativity. Second, self-determination theory helps to explain how fair procedures can influence intrinsic motivation and performance on creative tasks (Anesukanjanakul et al., 2019). Therefore, the eighth hypothesis is:

H8: *Perceptions of procedural justice will be positively and directly related to the employee performance at the organization.*

2.5. Theories Supporting the Study

The relationship between performance appraisal and productivity/performance with the interference of organizational justice has not been explored much (Anitha, 2014). Lin and Kellough (2019) studied the relationship between performance appraisal and organizational commitment, having organizational justice as a mediator. Ashraf et al. (2018) considered pay modifications, promotion judgments, and standards of performance as determinants of performance management activities. Abuhashesh et al. (2019) studied the influence of organizational justice on employee job performance, by taking distributive and procedural justice as components of organizational justice. In addition, they

used leader-member exchange as a mediating effect between organizational justice and employee job performance (Kalay, 2016). Therefore, the ninth and last hypothesis is:

H9: *The relationship between a satisfactory performance appraisal and employee performance will be mediated by equity.*

3. Methodology

3.1. Sample

First, survey questionnaires were filled online between May 2021 and June 2021. Moreover, the target population for the research involved low and mid-level employees. The sample is convenient sampling, whereby any low and mid-level employee who has work experience is accepted as a respondent to fill the questionnaire. The survey questionnaires were distributed using google forms and social media for data collection. This survey is conducted in the English language that is considered a second language in Lebanon. In addition, the sample that is used for this research is 181 employees ($N = 181$).

3.2. Instrument

The statement showing the objective of the research and support of the privacy of the participants was included at the beginning of the survey questionnaire, and the survey was approved by the Institutional Review Board (IRB) before distributing it. The purpose of the survey is to study the mediating effect of equity on the relationship between performance appraisal satisfaction and employee performance. In addition, the dimensions used to measure equity are the following: Distributive justice, internal equity, external equity, and procedural equity. The questionnaire of five divisions. The first part consists of six demographic questions, which include sex, age, education, years of experience, the size of the company, and the employee's position.

The second part of the questionnaire consists of six questions that measure employees' satisfaction with the performance appraisal practices at their company. PAS (Performance Appraisal Satisfaction) questionnaire is adapted from Anesukanjanakul et al. (2019). Statements are answered based on a 5-point Likert scale, where responses fluctuated between 1 (Strongly Disagree) and 5 (Strongly Agree). Questionnaire statements include, for example, "I am satisfied with the way my organization provides me with feedback (PAS)" and "the feedback I receive agrees with what I have actually achieved (PAS)". The coefficient alpha of this scale attained is 0.86.

The third part of the questionnaire measures the employee's perception of distributive and procedural

justice in the firm. Respondents rate their perception of justice on a 5-point Likert scale, where responses fluctuated between 1 (Strongly Disagree) and 5 (Strongly Agree). The questionnaire here is adapted from Edien (2015), where five questions are taken to measure the perception of distributive justice, and six questions to measure the perception of procedural justice. Examples of the statement questions are "Overall the rewards I receive are quite fair", "Employees are allowed to challenge or appeal job decisions made by their managers". Moreover, Mahmoud and Grigoriou (2017) showed 0.8 internal validity of this scale, and the Cronbach alpha of organizational justice was 0.9.

In the fourth part of the questionnaire, participants are requested to define their insight of equity by reflecting on five rewards, which are: raises, fringe benefits, promotions, incentives, and recognition. This part of the questionnaire was adapted from Mahmoud and Grigoriou (2017), who studied the mediating role of equity in employee organizational commitment and turnover relationship. The equity here consists of two components internal and external, where internal and external equity consists of 10 statement questions (five questions for each). Statements are answered based on a 5-point Likert scale, where responses fluctuated between 1 (Strongly Disagree) and 5 (Strongly Agree). Examples of internal and external equity statement questions are: "my raises are fair considering the raises others in this organization receive" and "my raises are fair compared to raises provided by other firms". The Cronbach alpha of internal and external equity in the study of Mahmoud and Grigoriou (2017) was 0.83.

The fifth part measures employees' self-assessment of their performance. Respondents rated their performance on a 5-point Likert scale, where responses fluctuated between 1 (Strongly Disagree) and 5 (Strongly Agree). The questionnaire used to measure employee performance is adapted from Mahmoud and Grigoriou (2017), and consists of five statements, such as: "I feel that my performance is reflective of my abilities", and "I feel that my job conditions are not allowing me to perform at high levels".

3.3. Demographic Variables

The sample in this research was 181 respondents, of which, 101 respondents were females, which is equivalent to 55.8% of the whole sample, and 80 respondents are males, which is equivalent to 44.2% of the sample (Tables 1 and 2).

Furthermore, the descriptive statistics showed that 95 respondents were in the age group of 18 years-24 years old accounting for 52.5% of the total respondents, 59 respondents were in the age group of 25 years-34 years old accounting for 32.6% of the total respondents. 11 respondents were in the age group of 35 years-44 years accounting for 6.1% of the total respondents. 16 respondents were in the age group of

Table 1: Gender of Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	101	55.8	55.8	55.8
	Male	80	44.2	44.2	100.0
	Total	181	100.0	100.0	

Table 2: Age of Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18–24	95	52.5	52.5	52.5
	25–34	59	32.6	32.6	85.1
	35–44	11	6.1	6.1	91.2
	45–54	8	4.4	4.4	95.6
	55–64	8	4.4	4.4	100.0
	Total	181	100.0	100.0	

45 years-54 years accounting for 4.4% of the total respondents, while 8 respondents were in the age group of 55 years-64 years old, accounting for 4.4% of the total respondents.

3.4. Variables Statistics

This section analyzes the questionnaire using the descriptive analysis method. N represents the number of respondents who answered the questionnaire. The minimum and maximum represent the scale that is used in the research which ranges from 1 “strongly disagree” to 5 “strongly agree”. As for the mean, it represents the average answer of the respondents for each statement, and the standard deviation represents the deviation and margin error for each statement.

3.5. Path Model Analysis

The above structural equation model represents the mediating relationship of equity and justice on the relationship between performance appraisal satisfaction and performance. The big circle represents the latent variable and the squares represent the constructs to measure the latent variable and the small circle represents the standard errors (Figure 2).

It can be noted that for every one unit increase in performance appraisals, equity tends to increase by 1.01 units.

- For every one unit increase in performance appraisals, justice tends to increase by 0.48 units.
- For every one unit increase in equity, performance tends to increase by 0.34 units.

- For every one unit increase in justice, performance tends to increase by 0.74 units.

3.6. Factor Score Weights

Performance Appraisals Satisfaction is the latent variable measured by three constructs which are PAS1, PAS2, and PAS3. The above table aims to study the relationship of each construct on the latent variable (Table 3):

- PAS1 affects performance appraisals satisfaction by 0.243, in which, for every one unit increase in PAS 1, performance appraisals satisfaction tends to increase by 24.3 units.
- PAS2 affects performance appraisals satisfaction by 0.166, in which, for every one unit increase in PAS 2, performance appraisals satisfaction tends to increase by 16.6 units.
- PAS3 affects performance appraisals satisfaction by 0.201, in which, for every one unit increase in PAS 3, performance appraisals satisfaction tends to increase by 20.1 units.

Justice is the latent variable measured by three constructs which are J1, J2, and J3. The above table aims to study the relationship of each construct on the latent variable:

- J1 affects justice by 0.150, in which, for every one unit increase in J1, justice tends to increase by 15 units.
- J2 affects justice by 0.150, in which, for every one unit increase in J2, justice tends to increase by 15 units.

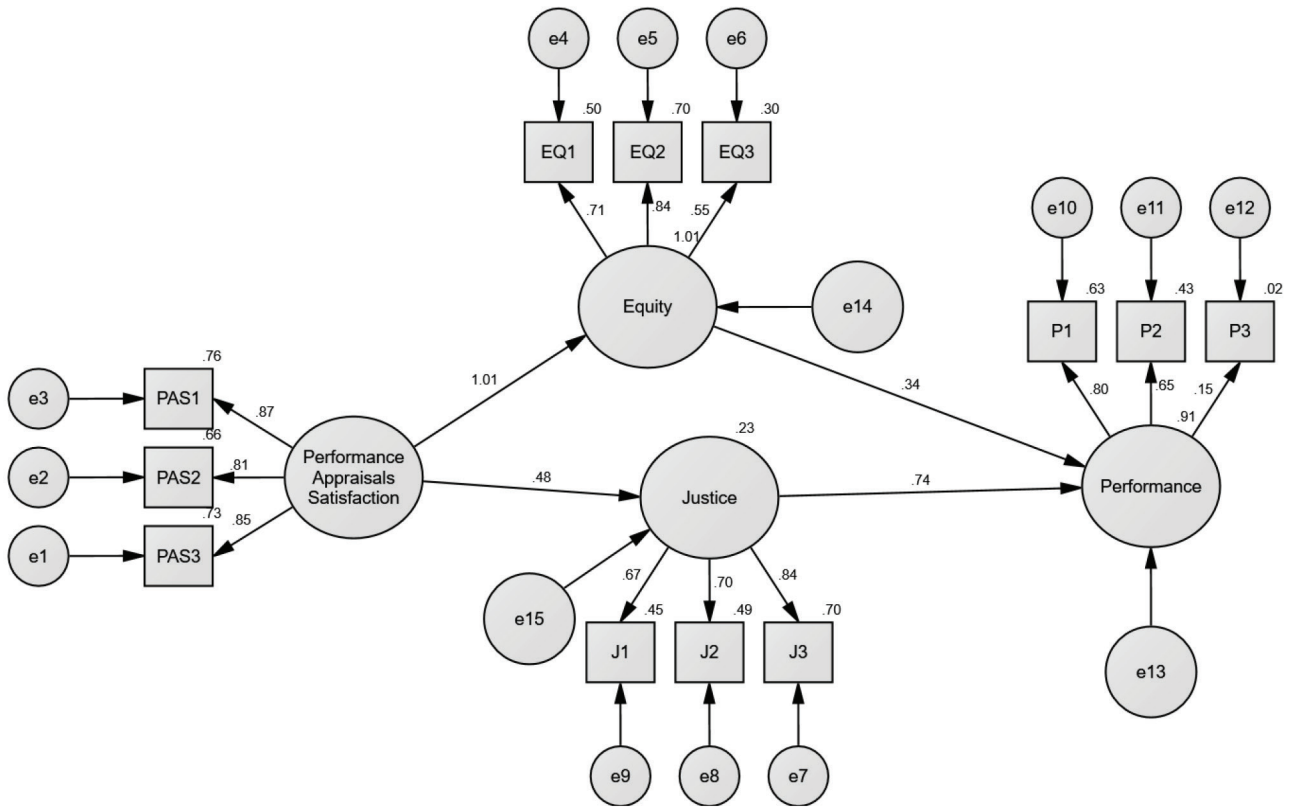


Figure 2: Structural Equation Model

Table 3: Factor Score Weights

	P3	P2	P1	J1	J2	J3	EQ3	EQ2	EQ1	PAS1	PAS2	PAS3
Performance Appraisals Satisfaction	0.003	0.023	0.041	0.001	0.001	0.002	0.053	0.175	0.115	0.243	0.166	0.201
Justice	0.010	0.088	0.160	0.150	0.150	0.362	0.001	0.005	0.003	0.003	0.002	0.002
Equity	0.002	0.015	0.026	0.002	0.002	0.004	0.033	0.108	0.071	0.183	0.125	0.151
Performance	0.015	0.128	0.233	0.092	0.092	0.223	0.013	0.044	0.029	0.071	0.049	0.059

- J3 affects justice by 0.362, in which, for every one unit increase in J3, justice tends to increase by 36.2 units.

Equity is the latent variable measured by three constructs which are E1, E2, and E3. The above table aims to study the relationship of each construct on the latent variable:

- E1 affects equity by 0.071, in which, for every one unit increase in E1, equity tends to increase by 7.1 units.
- E2 affects equity by 0.108, in which, for every one unit increase in E2, equity tends to increase by 10.8 units.
- E3 affects equity by 0.033, in which, for every one unit increase in E3, equity tends to increase by 3.3 units.

Performance is the latent variable measured by three constructs which are P1, P2, and P3. The above table aims to study the relationship of each construct on the latent variable:

- P1 affects performance by 0.233, in which, for every one unit increase in P1, performance tends to increase by 23.3 units.
- P2 affects performance by 0.128, in which, for every one unit increase in P2, performance tends to increase by 12.8 units.
- P3 affects performance by 0.015, in which, for every one unit increase in P3, performance tends to increase by 1.5 units.

3.7. Standardized Direct Effects

The standardized direct (unmediated) effect of Performance Appraisals Satisfaction on Justice is 0.485. That is, due to the direct (unmediated) effect of Performance Appraisals Satisfaction on Justice, when Performance Appraisals Satisfaction goes up by 1 standard deviation, Justice goes up by 0.485 standard deviation. This is in addition to any indirect (mediated) effect that Performance Appraisals Satisfaction may have on Justice (Table 4).

The standardized direct (unmediated) effect of Performance Appraisals Satisfaction on Equity is 1.007. That is, due to the direct (unmediated) effect of Performance Appraisals Satisfaction on Equity, when Performance Appraisals Satisfaction goes up by 1 standard deviation, Equity goes up by 1.007 standard deviation. This is in addition to any indirect (mediated) effect that Performance Appraisals Satisfaction may have on Equity.

3.8. Standardized Indirect Effects

The standardized indirect (mediated) effect of justice on Performance Appraisals Satisfaction is .050. That is, due to the indirect (mediated) effect of justice on performance appraisals satisfaction when justice goes up by 1 standard deviation, Performance appraisals satisfaction goes up by 0.050 standard deviation (Table 5).

The standardized indirect (mediated) effect of equity on Performance Appraisals Satisfaction is 0.060. That is, due

to the indirect (mediated) effect of equity on performance appraisals satisfaction when equity goes up by 1 standard deviation, Performance appraisals satisfaction goes up by 0.060 standard deviation.

4. Discussion

Relationship between distributive justice and employee satisfaction with performance appraisals

Our first hypothesis, which states that perceptions of distributive justice will be positively and directly related to employees' satisfaction with the performance appraisal, is supported. On average, the higher the distributive justice and performance appraisals satisfaction in the workplace, the higher the employee satisfaction will be. These results, along with several other studies that reported similar findings (Danaeifar et al., 2016), provided empirical support for this hypothesis.

Relationship between internal equity and employees' satisfaction with performance appraisals

The second hypothesis which states that perceptions of internal equity will be positively and directly related to employees' satisfaction with the performance appraisal, is supported. The higher the internal equity implemented in the workplace, the higher the job satisfaction will be leading to higher performance. Performance appraisals can be used as a tool to assess internal equity in the workplace. This result was supported by many scholars including Chouhan et al. (2016) and Utami et al. (2021).

Table 4: Standardized Direct Effects

	Performance Appraisals Satisfaction	Justice	Equity	Performance
Justice	0.485	0.000	0.000	0.000
Equity	1.007	0.000	0.000	0.000
Performance	0.000	0.742	0.340	0.000
P3	0.000	0.000	0.000	0.148
P2	0.000	0.000	0.000	0.652
P1	0.000	0.000	0.000	0.796
J1	0.000	0.670	0.000	0.000
J2	0.000	0.698	0.000	0.000
J3	0.000	0.839	0.000	0.000
EQ3	0.000	0.000	0.546	0.000
EQ2	0.000	0.000	0.836	0.000
EQ1	0.000	0.000	0.709	0.000
PAS1	0.871	0.000	0.000	0.000
PAS2	0.813	0.000	0.000	0.000
PAS3	0.854	0.000	0.000	0.000

Table 5: Standardized Indirect Effects

	Performance Appraisals Satisfaction	Justice	Equity	Performance
Justice	0.050	0.000	0.000	0.000
Equity	0.060	0.000	0.000	0.000
Performance	0.702	0.000	0.000	0.000
P3	0.104	0.110	0.050	0.000
P2	0.458	0.484	0.222	0.000
P1	0.559	0.591	0.271	0.000
J1	0.324	0.000	0.000	0.000
J2	0.338	0.000	0.000	0.000
J3	0.407	0.000	0.000	0.000
EQ3	0.550	0.000	0.000	0.000
EQ2	0.842	0.000	0.000	0.000
EQ1	0.715	0.000	0.000	0.000
PAS1	0.000	0.000	0.000	0.000
PAS2	0.000	0.000	0.000	0.000
PAS3	0.000	0.000	0.000	0.000

Relationship between external equity and employee satisfaction with performance appraisals

The third hypothesis which states that perceptions of external equity will be positively and directly related to employees' satisfaction with the performance appraisal, is supported. Employee performance has always been a major challenge in organizational management. Adopting effective ways to motivate employees to achieve and deliver higher job performance as well as increase organizational competitiveness is the main objective of every business organization. This can be done by using performance appraisals to assess the importance of equity in the workplace. Thus the higher the external equity, the higher the employee satisfaction will be in the workplace. This result was supported by many scholars including Dahkoul (2018).

Relationship between procedural justice and employee performance using performance appraisals

The fourth hypothesis which states that perceptions of procedural justice will be positively and directly related to employees' satisfaction with the performance appraisal, is supported. Procedural justice focuses on the fairness of the decision-making or process that leads to these outcomes. Employees perceive procedural justice when they feel they can voice their opinion regarding the process. In other terms, it concerns equity of the mechanism by which decisions are taken within the organization (Utami et al, 2021).

The creation of a compensation system is considered an internal process in the organization. Since justice applies to internal systems, procedural justice concerns taking decisions regarding these procedures and processes in a balanced and clear manner. This finding complies with many scholars including Armstrong et al. (2014).

Relationship between distributing justice and employee performance

The fifth hypothesis which states that perceptions of distributive justice will be positively and directly related to the employee performance at the organization is supported. Distributive justice addresses the employees' view of fairness on the results of decisions. Procedural justice is based on the fairness of processes, which leads to the job result and increases performance. The findings of the research comply with many scholars including Anitha (2014).

Relationship between internal equity and employee performance

The sixth hypothesis which states that perceptions of internal equity will be positively and directly related to the employee performance at the organization is supported. This hypothesis is supported by many scholars, for instance, Ashraf et al. (2018), who found that internal equity was a determinant of satisfaction since the amount of income received contributed to pay satisfaction among employees in the workplace. Nair and Salleh (2015) examined factors

affecting racial minorities' perceptions of workplace inequity in Canada and reported that minorities' expectations of equity, as well as their experiences of discrimination, influenced perceptions of discrimination.

Relationship between external equity and employee performance

The seventh hypothesis which states that perceptions of external equity will be positively and directly related to the employee performance at the organization is supported. For instance, Eisinga et al. (2013) found a strong relationship between external equity and job satisfaction. Equity theory shows the higher the external equity is, the higher the detrimental effects of self-esteem and physical well-being will be, which will lead to positive employment outcomes such as employment quality and monetary rewards.

Relationship between procedural justice and employee performance

The eighth hypothesis which states that perceptions of procedural justice will be positively and directly related to the employee performance at the organization is supported. Extensive literature supports procedural justice theories of satisfaction. In general, research suggests that if organizational processes and procedures are perceived to be fair, then participants will be more satisfied, more willing to accept the resolution of that procedure, and more likely to form positive attitudes about the organization (Ashraf et al., 2018; Lu & Wang, 2018).

Relationship between satisfactory performance appraisal and employee performance using equity as a mediator

The ninth hypothesis which states that the relationship between a satisfactory performance appraisal and employee performance will be mediated by equity is supported. Extensive literature supports the relationship between performance appraisals and employee performance using equity as a mediator. Some of these scholars include Kampkötter (2017).

5. Conclusion and Implications

5.1. Significance to Theory

Organizational justice is a part of the equity that affects the fair perceptions of employees within a company. Researchers have taken advantage of organizational justice to examine its impact on employees' performance (Kampkötter, 2017). A fair understanding of performance appraisal satisfaction can influence employee performance. The present study findings provide information on how different dimensions of equity affect the relationship between performance appraisal satisfaction and employee performance in the Lebanese economic sector.

5.2. Significance to Positive Social Change

Achieving organizational fairness and equity in the workplace can be done by the implementation of performance appraisal satisfaction which can lead to higher productivity in the workplace, which in turn, will enhance the organization's image among its competitors. The absence of a fair performance appraisal system in organizations can result in demotivating employees, leading to higher employee intention and burnout.

Incorporating justice and equity will contribute to improvements in the organization's policies, organizational image, work processes and potentially improving employees' performance in the workplace. Fairness must be maintained through incentive, workplace feedback, transparency, and accuracy.

Researchers have looked at the insight and value of the performance appraisal system of their staff and noted that improvements to the performance appraisal systems would be beneficial to improve organizational performance. The aim of this research was to study the role of equity in mediating the relationship between performance appraisal satisfaction and employee performance. This study added to the existing literature on fairness perceptions of employees at work to enable managers to implement performance appraisals satisfaction in an effective and efficient manner (Lin & Kellough, 2019).

5.3. Practical Implications

For university researchers and scholars, the findings of this research have a variety of practical and theoretical implications. HR managers and professionals in universities and other organizations will benefit from this study since it focuses on explaining the role of equity in mediating the relationship between performance appraisal satisfaction and employee performance.

These findings will lead to designing successful HR approaches to enhance employee performance through fairness, justice, and performance appraisal satisfaction. HR managers are advised to design a successful recruiting and selection procedure and conduct comprehensive training and development opportunities, and equity and performance appraisals satisfaction to enhance employees' performance in the workplace.

This analysis presented the results on justice, equity, and performance appraisal satisfaction with employee performance. Managers and human resources staff can build employee knowledge of performance appraisal systems and similar practices to promote justice and implement it efficiently and effectively in the workplace. Some awareness campaigns may involve workers' engagement in

the preparation, creation, and execution of the performance appraisal system, knowledge sharing, training, and rewards.

Human resources teams must be used properly during the performance appraisal system implementation and should take advantage of the knowledge given in this survey to guarantee an effective implementation of the performance appraisal system.

This research helps both managers and scholars to consider justice, equity, and performance appraisal satisfaction and link them to employees' performance. While the literature on performance appraisal systems has been accessible for several years, this research focuses on equity and justice and looks at the views of equity and justice on workers' success in the Lebanese context.

5.4. Limitations

There are many limitations to this study, including data collected through a convenient inquiry, and all results are centered on specified factors. It is also well-known that employees cannot tell the facts because of concerns of confidentiality. Based on what they thought might be the right answer instead of what they think, the questionnaires were filled in.

The questionnaire was deemed long since it includes a long questionnaire which may have caused worry and tension in some individuals and takes time to complete. Some refused to complete the questionnaire for this reason.

In addition, many of the participants in the study were aged between 18 and 24 since senior staff did not participate in the survey. This is because the research idea is relatively unique in the context of the analysis, which is regarded as a major drawback in the study, and participants who completed the questionnaires had limited experience.

Finally, since the sample size is reduced to 181 respondents, a sample of 250 respondents must be more successful and more efficient at collecting data and reporting results for such a study to retain more accurate results.

5.5. Future Research and Recommendations

Employers must prioritize employment equity so that employees can receive fair treatment at work. The performance of employees can be improved by involving justice and equity in every department. If equity is implemented, employees will feel secured and safe at work. However, inequality in a company can hinder employees' performance and can lead to a high turnover intention.

The study recommended that managers, employers, and the whole organization ensure that equity is implemented in every level of decision-making, thus safeguarding the employee's security, leading to better efficiency and productivity.

The paper will also serve as a guide to ensure organizational justice and help organizations and management in the field.

However, further studies are needed to better understand the relationship between organizational justice, equity, performance appraisal satisfaction, and employee performance. The impact of performance appraisal satisfaction on organizational justice and workplace behavior can be addressed in future studies since workplace behavior is considered one of the factors impacted by performance appraisal satisfaction.

Another recommendation is to examine the models in terms of moderation instead of mediation. Moderation could have different results and give a closer look at the relationship among these variables.

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