

“The impact of perceived effectiveness of performance management system on affective commitment: Employee participation as a moderator”

AUTHORS

Emad Waladali 

ARTICLE INFO

Emad Waladali (2022). The impact of perceived effectiveness of performance management system on affective commitment: Employee participation as a moderator. *Problems and Perspectives in Management*, 20(1), 514-531. doi:[10.21511/ppm.20\(1\).2022.41](https://doi.org/10.21511/ppm.20(1).2022.41)

DOI

[http://dx.doi.org/10.21511/ppm.20\(1\).2022.41](http://dx.doi.org/10.21511/ppm.20(1).2022.41)

RELEASED ON

Tuesday, 05 April 2022

RECEIVED ON

Thursday, 13 January 2022

ACCEPTED ON

Friday, 25 March 2022

LICENSE



This work is licensed under a [Creative Commons Attribution 4.0 International License](https://creativecommons.org/licenses/by/4.0/)

JOURNAL

"Problems and Perspectives in Management"

ISSN PRINT

1727-7051

ISSN ONLINE

1810-5467

PUBLISHER

LLC “Consulting Publishing Company “Business Perspectives”

FOUNDER

LLC “Consulting Publishing Company “Business Perspectives”



NUMBER OF REFERENCES

88



NUMBER OF FIGURES

5



NUMBER OF TABLES

5

© The author(s) 2022. This publication is an open access article.



BUSINESS PERSPECTIVES



LLC "CPC "Business Perspectives"
Hryhorii Skovoroda lane, 10,
Sumy, 40022, Ukraine
www.businessperspectives.org

Received on: 13th of January, 2022
Accepted on: 25th of March, 2022
Published on: 5th of April, 2022

© Emad Waladali, 2022

Emad Waladali, Ph.D., Department of Business Administration, Faculty of Administrative and Financial Sciences, Arab American University, Palestine.



This is an Open Access article, distributed under the terms of the [Creative Commons Attribution 4.0 International license](https://creativecommons.org/licenses/by/4.0/), which permits unrestricted re-use, distribution, and reproduction in any medium, provided the original work is properly cited.

Conflict of interest statement:
Author(s) reported no conflict of interest

Emad Waladali (Palestine)

THE IMPACT OF PERCEIVED EFFECTIVENESS OF PERFORMANCE MANAGEMENT SYSTEM ON AFFECTIVE COMMITMENT: EMPLOYEE PARTICIPATION AS A MODERATOR

Abstract

Palestinian companies nowadays realize the importance of performance management systems. This study examines the moderating effect of employee participation in the relationship between perceived effectiveness of performance management system and affective commitment of employees in Palestinian service companies. A questionnaire was designed using Google Docs and distributed randomly via e-mail among 174 employees working in Palestinian service companies. A structural equation modeling, using AMOS V26, was used to test the hypotheses. The findings showed that perceived effectiveness of performance management system has a significant positive impact on affective commitment ($\beta = 0.77$; p -value = 0.000). While the justice dimension of perceived effectiveness of performance management system has a significant positive impact on affective commitment ($\beta = 0.52$; p -value = 0.007), the accuracy dimension was found insignificant ($\beta = 0.26$; p -value = 0.178).

Regarding the moderating effect, neither the interaction between the perceived effectiveness of performance management system and employee participation ($\beta = -0.031$; p -value = 0.465) nor the justice dimension was significant ($\beta = 0.103$; p -value = 0.203). Nevertheless, the interaction between the accuracy dimension and employee participation was negative ($\beta = -0.14$; p -value = 0.034). This study yielded support for the importance of perceived effectiveness of performance management system. Employees who perceived the performance of management system to be effective have higher affective commitment. Therefore, managers, especially HR managers, in service companies should pay more attention to the perceived effectiveness of performance management system, especially its justice dimension, to gain the benefits of committed employees.

Keywords

perceived accuracy, perceived fairness, perceived effectiveness, affective commitment, Palestinian service companies, structural model

JEL Classification O15, M12

INTRODUCTION

Nowadays many organizations face challenges due to high competition, dynamic and complex environments, and increased customer demands. Therefore, organizations need to consider all factors that help to survive in such an environment. It was proved that affective commitment positively influences many employee attitudes such as job performance, absenteeism, and turnover (Breitsohl & Ruhle, 2013), performance (Meyer et al., 1989; Meyer et al., 2002; Chen & Francesco, 2003; Bizri et al., 2021), organizational citizenship behavior (Meyer et al., 2002), work engagement (Gelderen & Bik, 2016), and job involvement (Singh & Gupta, 2015). Since employees may have different levels of commitment types (Meyer et al., 1993), and different types of

commitment have different impacts on employee willingness to achieve organizational goals (Allen & Meyer, 1990), the coronavirus pandemic may generate different types of commitment. Thus, organizations must look for factors that create and increase employee affective commitment because it is the most beneficial type of commitment.

How employees perceive the effectiveness of a performance management system is critical to its success. Sharma et al. (2016) found that perceived effectiveness of performance management system (PEPMS) has two ingredients: perceived accuracy and perceived justice. Therefore, there is a need to examine the extent to which the two-factor construct exists in the Palestinian environment and examine the influence of effectiveness of performance management system (accuracy and fairness) on employee outcomes such as affective commitment.

Although the importance of affective commitment is highlighted in previous research, it is important to investigate Palestinian organizations for several reasons: the cultural factor of the Palestinian environment, the high unemployment rate, and the coronavirus pandemic.

There is scarce research that addresses the relationship between perceived accuracy and affective commitment. Although Scheller and Harrison (2018), Lee and Wei (2017), Simons and Roberson (2003), and Ohana et al. (2013) addressed the relationship between different types of perceived justice and affective commitment, none of them investigated the effect of both dimensions on affective commitment nor the moderating role of employee participation.

1. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

Many scholars defined employee performance management. In general, it is an ongoing process to ensure that employee activities contribute to achieving organizational goals (Glendinning, 2002; Biron et al., 2011; Dessler, 2013, p. 286). Performance management has revolutionized from performance appraisal, which denotes estimating employee performance against predefined performance standards (Dessler, 2013, p. 284). While performance appraising is a single activity (Decramer et al., 2013), performance management is a multiactivity process, e.g., planning, acting, monitoring, and reviewing (Armstrong, 2006, p. 337). Moreover, performance management reflects the strategic fit between HRM and organizational strategy (Decramer et al., 2013). Therefore, PMS should be distinguished from performance appraisal or performance measurements (Aguinis et al., 2011; Amaratunga & Baldry, 2002; Waeyenberg et al., 2017; Sharma et al., 2016).

Effectiveness denotes performing activities that lead to goals achievement (Robbins & Coulter,

2018, p. 8). Therefore, effective PMS can refer to a performance management system that produces desired outcomes associated with the performance management process. According to Sharma et al. (2016), it is the degree to which PMS meets its objectives (i.e., rewarding good performers; managing bad performers (Lawler, 2003); decisions and activities aligned with organization strategic objectives (Bento & Bento, 2006); increasing employee retention and performance (Haines & St-Onge, 2012; Lawler, 2003); enhancing integration between HRM components (Bevan & Thompson, 1991).

The question here is why PMS may not be effective. Many researchers proposed different answers to this question. The reason for ineffective PMS can be divided into technical, related to PMS itself, and non-technical. Technical reasons include the content of PMS (i.e., what are the elements included in the PMS) (Rademan & Vos, 2001; Furnham, 2004). In addition, there could be an improper implementation of the system (Glendinning, 2002; Hazard, 2004). According to Gensing-Pophal (2001), PMS is a complex process; it is not connected to rewards and is not under control. Non-technical reasons include employees' doubt of the credibility of PMS (Sharma et al., 2016), organi-

zations focusing on appraising performance rather than managing it (Aguinis et al., 2011), lack of understanding of the factors that enhance PMS (Biron et al., 2011), managers not providing feedback (Mello, 2014, p. 452), and organizations not improving performance (Grensing-Pophal, 2001).

Scholars proposed different measures of effective PMS. Yu et al. (2018) measured it by achieving process outcomes and organizational performance. Lawler (2003) distinguished between two types of effectiveness: effective PMS, measured through the results of the PMS (i.e., developing individual skills and knowledge), and differentiation effectiveness, differentiating between employees in terms of performance. Moreover, Baird et al. (2012) divide the Lawler's effective PMS scale into staff-related and performance-related outcomes. According to Sharma et al. (2016), employee acceptance of PMS is critical to being effective. Moreover, PMS is considered effective when employees perceive it as fair in respect of distribution, procedures, and interaction (DeNisi & Pritchard, 2006). Sharma et al. (2016) measured employee perception of effective PMS through perceived accuracy and perceived fairness.

Factors affecting EPMS include rater training, clear communication of performance expectations, and involvement of senior management (Biron et al., 2011; Lawler, 2003); connecting PMS outcomes with a reward system (Lawler, 2003; Baird et al., 2012); and the existence of ongoing feedback and behavior-based measurement (Lawler, 2003). Literature shows that some factors enhance the effectiveness of PMS, such as supervisor training (Haines & St-Onge, 2012) and good academic backgrounds (Rao, 2007).

Organizational justice (OJ) is about how employees perceive equality among employees (Imamoglu et al., 2019). Therefore, in the context of EPMS, OJ can refer to the perceived equality of PMS. It has been widely researched since 1990 due to its importance (Cohen-Charash & Spector, 2001). In the context of performance appraisal, justice has a critical role. According to Leung et al. (2001) and Flint (1999), employees respond favorably when the appraising system is fair. Moreover, employee performance may decrease in specific fields if they perceive its rating as unfair (Flint, 1999).

Distributional justice (DIJ) is how employees perceive the fairness of the distribution of organizational outcomes (Ghumman, 2021). Employees usually perceive DIJ through the ratio of the outputs (i.e., rewards, recognition) to input (i.e., educational level, performance). Although DIJ does not have a substantial impact on performance (Konovsky & Cropanzano, 1991), it predicts citizenship behavior in the organizations (Cohen-Charash & Spector, 2001; Zhang & Agarwal, 2009), as well as AFC (Scheller & Harrison, 2018). Antecedents of DIJ include empowerment and psychological contract (Zhang & Agarwal, 2009).

Procedural justice (PRJ) is related to the fairness of organizational procedures used to distribute organizational outcomes (Cohen-Charash & Spector, 2001; Imamoglu et al., 2019). Despite the unfair distribution of corporate products, the employee's perception of justice is more significant if he thinks that the procedures used to distribute organizational outcomes are fair. In EPMS, PRJ refers to the fairness of methods used in the PMS. PRJ is related to many employee's attitudes in the organization. For example, job performance and unproductive work behavior (Cohen-Charash & Spector, 2001), organizational citizenship behavior (Cohen-Charash & Spector, 2001; Zhang & Agarwal, 2009; Moorman, 1991), and AFC (Ohana et al., 2013). According to Erdogan (2002), due process, satisfactory notice, rightful hearing, and evidence-based judgment predict PRJ.

Interactional justice is the perceived fairness of interaction between managers and employees during the PMS process (Erdogan, 2002). Since a supervisor is responsible for implementing organizational procedures, according to Moorman (1991) and Masterson et al. (2000), he/she is the source of interactional fairness, and the organization is the source of PRJ. Colquitt (2001) splits interactional justice into two different constructs: interpersonal justice (INJ) and informational justice (IFJ). INJ is concerned with how a supervisor treats an employee. In IFJ, employees perceive justice when decisions made regarding the employee are explained. INJ has a positive impact on several employee attitudes. For example, INJ positively affects AC (Lee & Wei, 2017; Simons & Roberson, 2003) and organizational citizenship behavior (Zhang & Agarwal, 2009). IFJ also has an impact

on employee attitudes. Leung et al. (2001) show that even criticism, when associated with high INJ, will result in a favorable disposition toward a supervisor and more acceptance of feedback.

Organizational commitment (OC) is the degree to which an employee wishes to stay a member of the organization (Colquitt et al., 2015, p. 64). OC was significantly researched during the 1990s (Meyer et al., 2002). In addition, practitioners tried to use OC to attract, retain, and develop employees and improve their performance (Mercurio, 2015).

The most popular form to study OC is Mayer and Allen's model, composed of three components (Jaros, 2007). This model suggests that the employees feel connection with their organization because they want to (affective), they ought to (normative), and they need to (continuance) (Jayasingam et al., 2016), or as described by Jaros (2017), they feel emotional connection, obligation-based connection, and cost-based connection respectively. Normative commitment (NC) can be divided into two dimensions: "moral duty" – a high level of AC, and "indebted obligation" – a high level of CC (Meyer & Parfyonova, 2010).

Meyer and Allen (1984) first introduced the concept of affective commitment (AFC). AFC "is about emotional attachment to, identification with, and involvement in the organization" (Meyer et al., 2002; Meyer et al., 1989). It is the core of OC (Mercurio, 2015). However, it should be distinguished from attachment to a supervisor or workgroup (Vandenberghe et al., 2021).

AFC is considered vital because it has a favorable impact on employee-relevant and organization-relevant outcomes. Regarding organization-relevant results, AFC positively affects employee performance (Meyer et al., 1989; Meyer et al., 2002; Chen & Francesco, 2003; Bizri et al., 2021); attendance, and organizational citizenship behavior (Meyer et al., 2002); work engagement (Gelderen & Bik, 2016); job involvement, and team commitment (Singh & Gupta, 2015); and talent and leadership development practices (Chami-Malaeb & Garavan, 2013). Regarding employee-relevant outcomes, AC positively affects stress and work-family conflict outcomes (Meyer et al., 2002).

Many organizational factors can enhance employees' AFC. For example, they include PRJ (Cheng, 2014), human resource (HR) system strength meta-features (Bos-Nehles et al., 2021), transformational leadership (Ribeiro et al., 2018; Allen et al., 2017), congruence between espoused and enacted organizational values (Howell et al., 2012), and perceived corporate social responsibility (Papacharalampous & Papadimitriou, 2021). Moreover, organizational culture, which is based on mutual trust (Curado & Vieira, 2019), performance management (Asamany & Shaorong, 2018), interactional justice (Lee & Wei, 2017), internal consistency of PMS (Waeyenberg et al., 2017; Casimir et al., 2014), and managers' coaching skills (Ribeiro et al., 2021), can influence employees' AFC. Furthermore, base pay level among knowledge workers (Kuvaas, 2006), effective enactment of HR practices and the effective relations-oriented leadership behavior of line managers (Gilbert et al., 2011), and networking, trying to create and keep relationships with others for mutual benefits in their career, within one's organization (Forret & Dougherty, 2001) are of great importance.

On the other hand, some factors undermine employees' AFC. For example, they are task-oriented leadership (Hong et al., 2016), leader surface acting (Moin, 2018), and content plateauing (Tremblay, 2021).

Organizational culture construct has been widely used in the literature (Ghosh & Srivastava, 2014). According to Robbins and Judge (2017, p. 565), organizational culture is "a system of shared meanings held by members that distinguish the organization from other organizations." There are no agreements on the dimensions of corporate culture (Ghosh & Srivastava, 2014). Ghosh and Srivastava (2014) identified seven dimensions of corporate culture: trust, openness, freedom to experience, individualism and attitude toward constructive dissent, result orientation, and employee participation. Employee participation is when employees' views are considered, and they can express their ideas freely (Ghosh & Srivastava, 2014). In previous studies, employee participation was found to impact OC (Abdulkadir et al., 2012; Bhatti et al., 2011) and AFC (Grund & Titz, 2021).

Few studies examine the moderating role of employee participation in the relationship between

perceived effectiveness of PMS and affective commitment. Therefore, the aim of this paper is to examine the effect of PEPMS on affective commitment and the moderating role of employee participation in the relationship between perceived effectiveness of performance management system and its sub-dimensions on affective commitment in Palestinian service companies. Namely, this study set out to answer the following questions:

1. Does the two-factor construct of EPMS valid in the Palestinian context?
2. Does the perceived effectiveness of performance management system influence affective commitment?
3. Does employee participation affect affective commitment?
4. Does employee participation affect the relationship between perceived effectiveness of performance management system and affective commitment?
5. Which dimension of the perceived effectiveness of performance management system has more effect on affective commitment?

Following the review of the literature, this paper investigates the moderating role of employee participation on the relationship between perceived effectiveness of performance management system and affective commitment in the context of Palestinian service companies. Thus, the following hypotheses were formulated:

H1: PEPMS is positively related to affective commitment.

H1.1: The accuracy dimension of PEPMS is positively related to affective commitment.

H1.2: Justice dimension of PEPMS is positively related to affective commitment.

H2: Employee participation (EPA) moderates the relationship between PEPMS and affective commitment (higher EPA strengthens the positive relationship between PEPMS and affective commitment).

H2.1: Employee participation (EPA) moderates the relationship between the accuracy dimension of PEPMS and affective commitment (higher EPA strengthens the positive relationship between the accuracy dimension and affective commitment).

H2.2: Employee participation (EPA) moderates the relationship between the justice dimension of PEPMS and affective commitment (higher EPA would strengthen the positive relationship between the justice dimension and affective commitment).

2. METHODOLOGY

The data were collected using an online questionnaire through Google Docs distributed via e-mail. Therefore, all responses were valid, and there were no missing data. The target population includes employees from different service companies operating in Palestine during November and December 2021. As a result, 175 questionnaires were retrieved. The demographics of the respondents are illustrated in Table 1. The questionnaire was designed in English. Qualified experts translated it into Arabic to guarantee its consistency. Next, university professors in human resource management, accounting, finance, and business administration were asked to review the questionnaire's items to ensure their quality. The questionnaire covered all measures in the study (personal data, independent variables, and dependent variable) using a 5-point Likert scale.

The survey consists of four parts. The first part includes items regarding AFC. The second part contains items regarding PEPMS. The third part contains items regarding employee participation, and the fourth part includes questions regarding the users' demographic data.

Jaros' (2007) scale used the commitment scale, which modified Allen and Meyer's (1990) scale. In affective commitment, the first statement in Allen and Meyer's (1990) scale was replaced by "I am very happy being a member of this organization." Employee perception of effective performance management system has two factors. First, employee perception of PMS accuracy is adopt-

Table 1. Descriptive statistics of demographics

| Item | Frequency | Percentage (%) |
|---|-----------|----------------|
| Gender | | |
| Male | 135 | 77.1 |
| Female | 40 | 22.9 |
| Education level | | |
| High school or below | 4 | 2.3 |
| Diploma (2 years) | 15 | 8.6 |
| 1 st university degree (4 years) | 86 | 49.1 |
| Post-graduate studies | 70 | 40 |
| Age | | |
| Under 25 | 7 | 4 |
| 25 and less than 35 | 47 | 26.9 |
| 35 and less than 45 | 68 | 38.9 |
| 45 and over | 53 | 30.2 |
| Experience | | |
| Less than 5 years | 21 | 12 |
| 5 years and less than 10 | 40 | 22.9 |
| 10 years and less than 15 | 33 | 18.9 |
| 15 years and over | 81 | 46.2 |

ed from Sharma et al. (2016). Although Sharma et al. (2016) used a 7-points Likert scale, this paper used a 5-points Likert scale. Second, employee perception of PMS fairness was adopted from Colquitt (2001). According to Sharma et al. (2016), the items of organizational justice generated by Colquitt (2001) can be tailored to specific contents. Therefore, perceived corporate justice items are tailored to reflect the employee perception of PMS fairness. Finally, the employee participation scale was adopted from Ghosh and Srivastava (2014) as shown in Appendix A.

3. RESULTS

The reliability was measured through Cronbach's α indicator. According to Sekaran and Bougie (2010, p. 290), values of 0.7 and above are considered acceptable. All the variables in the study obtained excellent bargains, as illustrated in Table 2. Next, the paper employed confirmatory factor analysis to examine convergent and divergent validity. This analysis tested convergent validity through standardized factor loading. Items with factor loading less than 0.5 were removed. Therefore, items AFC4R, AFC5R, AFC5R, and EPA3 were deleted from the dataset, as their loadings were 0.037, 0.409, 0.492, and 0.403, respectively. The coefficients of the remaining items were significantly different from zero, and the loadings between latent and observed variables were above the cut-off

point in all cases. Therefore, according to Bollen (1989), the latent variable explains the observed variables adequately.

To examine discriminant validity, analysis results show that the variances differed from zero and significant. In addition, the correlation between each pair of scales was not above 0.8. Since there is a weak relationship among the constructs, it is confirmed that there are three constructs in the model. Moreover, the reliability and validity of the scale were tested using different methods drawn from the confirmatory factor analysis. The average variance extracted (AVE), with 0.5 as a reference point, and composite reliability (CR), with 0.7 as a reference point, were used. The values obtained exceeds the threshold (Bollen, 1989; Hair et al., 1995) except for performance review accuracy (PRA) (AVE = 0.474 and CR = 0.728), as illustrated in Table 2.

After collecting the data, common method bias (CMB) was detected. Harman's single factor was tested to evaluate the impact of CMB through component factor analysis (Podsakoff et al., 2003). The findings showed ten significant factors with eigenvalues of more than 1; the first factor explains 37.66% of the variance, which is below the cut-off point (0.5) according to Hulland et al. (2018). Therefore, it is concluded that data is free of CMB.

This study also tests for multivariate outliers in structural model data using AMOS v.26 through

Table 2. Convergent validity and internal consistency reliability

| Variable | Item | β | Cronbach's Alpha | CR | AVE |
|--------------------------------------|-------|---------|------------------|-------|-------|
| Performance planning accuracy (PPA) | PPA1 | 0.878 | 0.785 | 0.825 | 0.616 |
| | PPA2 | 0.828 | | | |
| | PPA3 | 0.626 | | | |
| Feedback and coaching accuracy (FCA) | FCA1 | 0.639 | 0.767 | 0.780 | 0.544 |
| | FCA2 | 0.796 | | | |
| | FCA3 | 0.768 | | | |
| Performance review accuracy (PRA) | PRA1 | 0.523 | 0.702 | 0.716 | 0.463 |
| | PRA 2 | 0.716 | | | |
| | PRA 3 | 0.776 | | | |
| Outcomes accuracy (OUA) | OUA1 | 0.581 | 0.817 | 0.842 | 0.648 |
| | AOU 2 | 0.909 | | | |
| | OUA 3 | 0.883 | | | |
| Procedural justice (PRJ) | PRJ1 | 0.742 | 0.900 | 0.899 | 0.598 |
| | PRJ 2 | 0.811 | | | |
| | PRJ 3 | 0.843 | | | |
| | PRJ 4 | 0.794 | | | |
| | PRJ 5 | 0.701 | | | |
| | PRJ 6 | 0.74 | | | |
| Distributive justice (DIJ) | DIJ1 | 0.823 | 0.917 | 0.909 | 0.715 |
| | DIJ 2 | 0.834 | | | |
| | DIJ 3 | 0.828 | | | |
| | DIJ 4 | 0.895 | | | |
| Interpersonal justice (INJ) | INJ 1 | 0.849 | 0.910 | 0.916 | 0.733 |
| | INJ 2 | 0.953 | | | |
| | INJ 3 | 0.913 | | | |
| | INJ 4 | 0.686 | | | |
| Informational justice (IFJ) | IFJ 1 | 0.787 | 0.937 | 0.938 | 0.751 |
| | IFJ 2 | 0.896 | | | |
| | IFJ 3 | 0.912 | | | |
| | IFJ 4 | 0.903 | | | |
| | IFJ 5 | 0.828 | | | |
| Affective commitment (AFC) | AFC 1 | 0.933 | 0.857 | 0.867 | 0.574 |
| | AFC 2 | 0.832 | | | |
| | AFC 3 | 0.719 | | | |
| | AFC 7 | 0.734 | | | |
| Employee participation (EPA) | AFC8R | 0.501 | 0.841 | 0.898 | 0.747 |
| | EPA1 | 0.832 | | | |
| | EPA2 | 0.938 | | | |
| | EPA4 | 0.818 | | | |

Note: β – standardized regression weight, AVE – average variance extracted, α – Cronbach's alpha, CR – composite reliability.

the Mahalanobis distance test. The P1 value of Mahalanobis distance for each item was used to detect multivariate outliers with 0.001 as a cut-off point. Therefore, all entries with P1 values less than the cut-off point are considered an outlier (Pollet & Meij, 2017). The result revealed that there are seven outliers. Therefore, they were removed from the dataset, leaving 168 valid questionnaires for further analysis.

Table 3 shows that the measurement model has a good fit. The value of CMIN/DF is (1.627), and the standardized root mean square residuals

(SRMR) are 6.5%, which is in the accepted range. Moreover, the root mean square error of approximation (RMSEA) = 6.1%, which is below the cut-off point (8%), according to Hu and Bentler (1999). Comparative fit model (CFI) = 91.5%, and Tucker-Lewis Index (TLI) = 90.8%. The values implied a goodness fit model, according to Hair et al. (2013). Thus, the study concludes that the minimum values of the goodness of fit model were obtained.

The hypotheses are tested using structural equation modeling (SEM). The study opted for the

Table 3. Goodness-of-fit indicators in the measurement model

| Fit indices | Recommended value | Value in the model |
|-------------|-------------------|--------------------|
| CMIN/DF | 2 < CMIN/DF < 5 | 1.627 |
| CFI | > 0.90 | 0.915 |
| TLI | > 0.90 | 0.908 |
| IFI | > 0.90 | 0.916 |
| SRMR | < 0.08 | 0.065 |
| RMSEA | < 0.08 | 0.061 |

Note: CMIN/DF – normal chi-square/degrees of freedom; CFI – comparative goodness of fit; TLI – Tucker-Lewis Index; IFI – incremental fit index; SRMR – standardized root mean square residual; RMSEA – root mean square error of approximation.

maximum likelihood estimation method since the multivariate normality was violated (CR for kurtosis was 25.182). Moreover, the maximum likelihood is preferable when there is a small sample size (West et al., 1995). The values of the proposed model (Table 4) indicate a good model fit (Hu & Bentler, 1999): RMSEA = 6.7%, CFI = 90.5%.

Table 4. Goodness-of-fit indicators in the structural model

| Fit indices | Recommended value | Value in the model |
|-------------|-------------------|--------------------|
| CMIN/DF | 2 < CMIN/DF < 5 | 1.756 |
| CFI | > 0.90 | 0.905 |
| TLI | > 0.90 | 0.896 |
| IFI | > 0.90 | 0.906 |
| SRMR | < 0.08 | 0.073 |
| RMSEA | < 0.08 | 0.067 |

Note: CMIN/DF – normal chi-square/degrees of freedom; CFI – comparative goodness of fit; TLI – Tucker-Lewis Index; IFI – incremental fit index; SRMR – standardized root mean square residual; RMSEA – root mean square error of approximation.

Table 5 and Figures 1-5 shows the results of the SEM analysis for the main hypotheses and the sub hypotheses results. It is revealed that the main hypothesis (Figure 1) result is significant. *H1*, which proposed a positive relationship between PEPMS and affective commitment, was confirmed ($\beta = 0.77$; p -value = 0.000), which indicates that PEPMS stimulates strong employee commitment in Palestinian service companies.

Table 5. Hypotheses testing

| Hypothesis | Effect | Standardized Regression Weight | S.E. | Sig. | Support |
|------------|-------------------|--------------------------------|-------|-------|---------|
| H1 | PEPMS → AFC | 0.77 | 0.219 | *** | Yes |
| H1.1 | ACC → AFC | 0.26 | 0.351 | 0.178 | No |
| H1.2 | JUS → AFC | 0.52 | 0.251 | 0.007 | Yes |
| H2 | PEPMS_x_EPA → AFC | -0.06 | 0.044 | 0.27 | No |
| H2.1 | ACC_X_EPA → AFC | -0.17 | 0.065 | 0.034 | Yes |
| H2.2 | JUS_X_EPA → AFC | 0.10 | 0.067 | 0.203 | No |

H1.1, which stated a positive impact of accuracy dimension of PEPMS on affective commitment, was not confirmed ($\beta = 0.26$; p -value = 0.178), showing that the accuracy dimension of PEPMS does not stimulate employee commitment in Palestinian service companies. On the other hand, *H1.2*, which proposed a positive impact of justice dimension of PEPMS on affective commitment, was confirmed ($\beta = 0.52$; p -value = 0.007), showing that the fairness dimension of PEPMS stimulates strong employee commitment in Palestinian service companies (Figure 2).

H2, which proposed that employee participation strengthens the relationship between PEPMS and affective commitment, was insignificant. Employee participation does not affect the relationship between PEPMS and affective commitment. In the interaction model, the impact of PEPMS ($\beta = 0.37$; p -value = 0.000) and the impact of EPA ($\beta = 0.42$; p -value = 0.000). Nevertheless, results show that the interaction between the two constructs is insignificant ($\beta = -0.031$; p -value = 0.465), as illustrated in Figure 3.

H2.1, which stated that employee participation moderates the relationship between the accuracy dimension of PEPMS and affective commitment, was significant (Figure 4). In the interaction model, the impact of accuracy dimension on

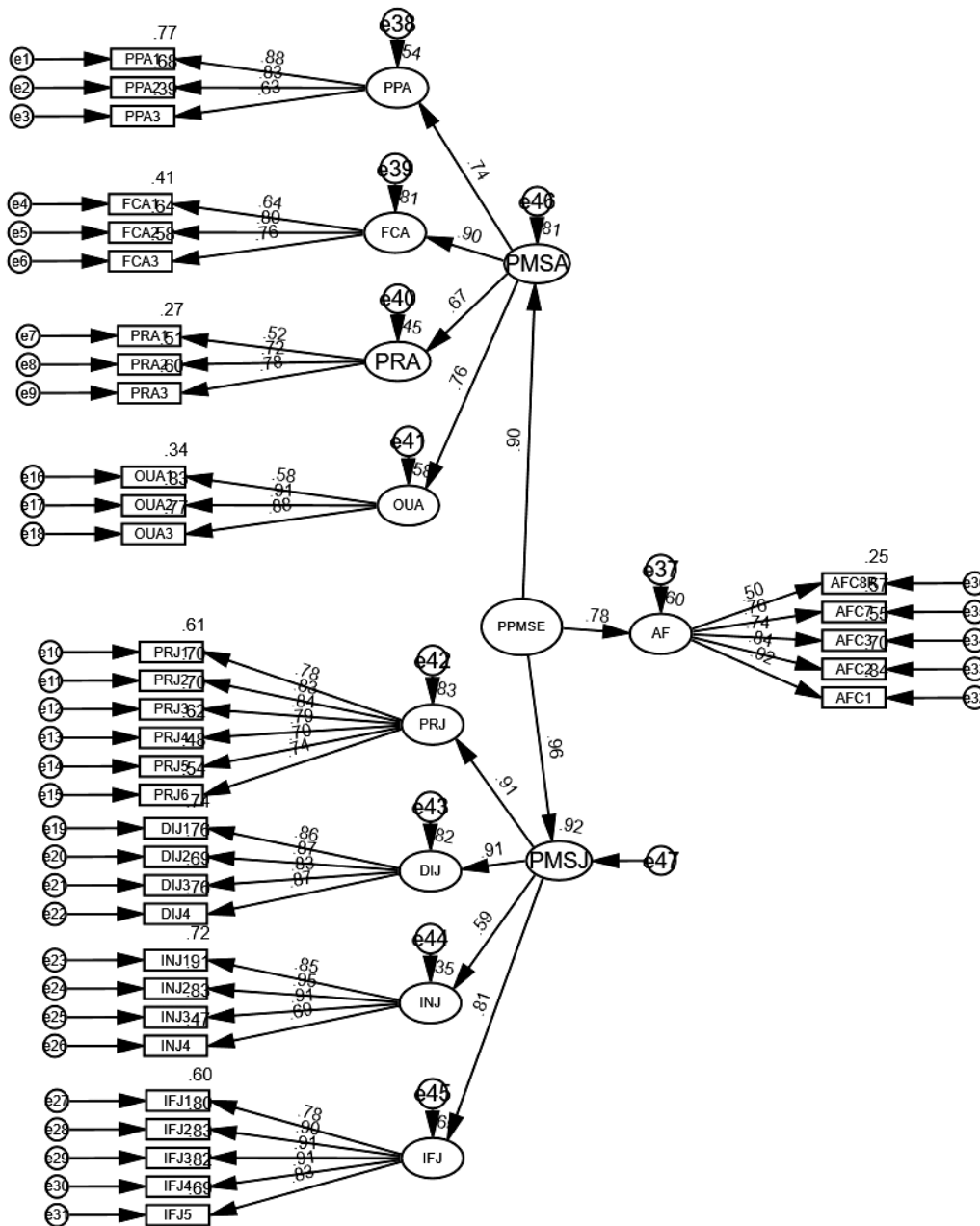


Figure 1. Structural model 1

affective commitment was found insignificant ($\beta = 0.037$; p -value = 0.639), the influence of employee participation on affective commitment was found significant ($\beta = 0.457$; p -value = 0.000), and the impact of interaction on affective commitment was significant ($\beta = -0.14$; p -value = 0.034). However, Figure 5 showed that a higher level of employee participation diminishes the effect of the PEPMS accuracy on affective commitment.

H2.2, which proposed that employee participation strengthens the relationship between

the justice dimension of PEPMS and affective commitment, was insignificant. In the interaction model, the impact of justice on affective commitment was found significant ($\beta = 0.305$; p -value = 0.000), the effect of employee participation on affective commitment was found significant ($\beta = 0.457$; p -value = 0.000), and the impact of interaction on affective commitment was seen insignificant ($\beta = 0.103$; p -value = 0.203). Therefore, employee participation does not moderate the relationship between justice dimension and affective commitment.

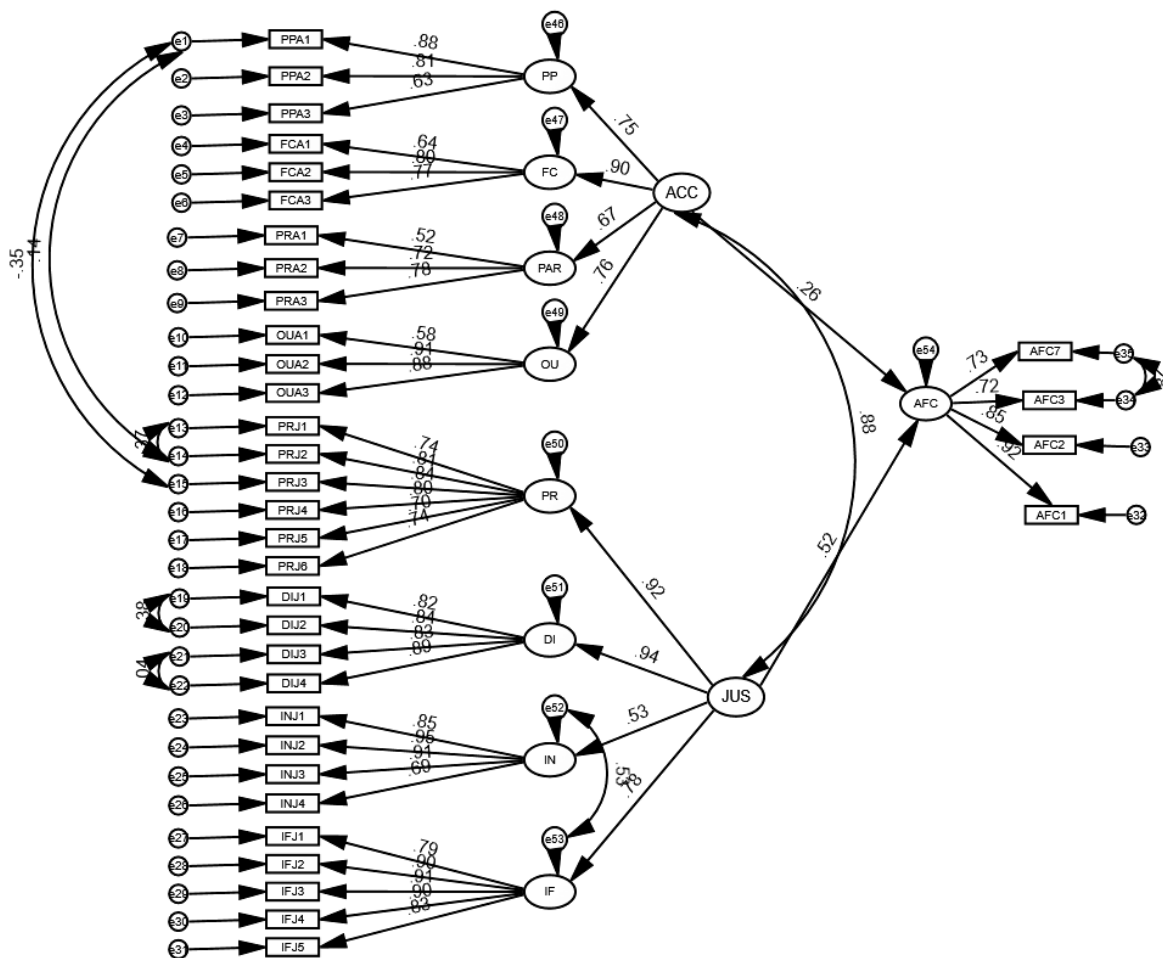


Figure 2. Structural model 2

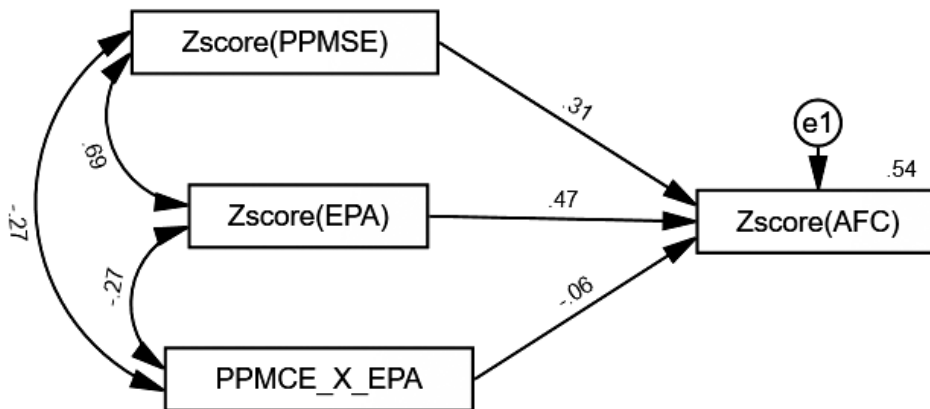


Figure 3. Interaction model 1

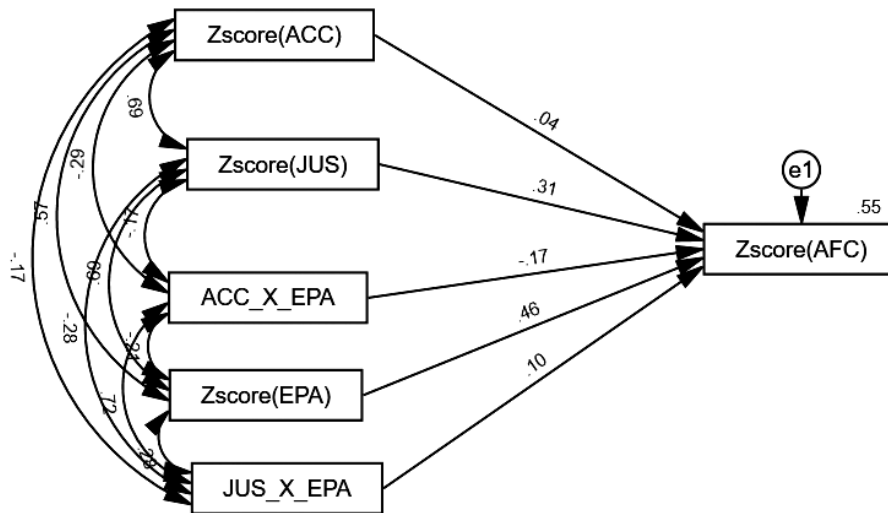


Figure 4. Interactional model 2

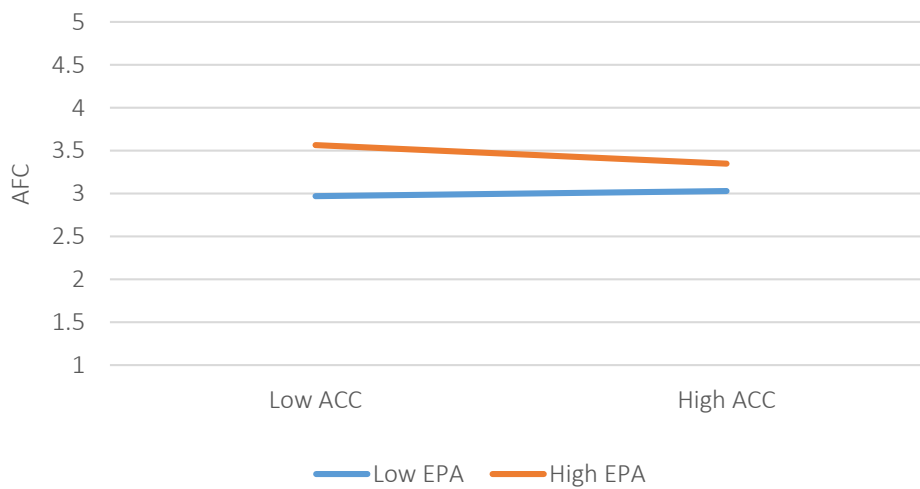


Figure 5. Interaction graph

4. DISCUSSION

Affective commitment has received great attention from scholars. However, employee perception of effective performance management system is a new construct. Therefore, few studies analyzed the impact of PEPMS on other employees' outcomes. Hence, this paper helps understand the impact of PEPMS on affective commitment in Palestinian service companies and the moderating role of employee participation in this relationship.

The paper enlarges the existing body of knowledge by testing the composite construct of PEPMS and its sub-dimensions on affective commitment. Moreover, it highlights the role of the justice di-

mension of PEPMS in enhancing the level of affective commitment in the organization. Finally, it highlights the role of employee participation in this relationship. From a theoretical point of view, this study extends the existing explanation of PEPMS and its impact on affective commitment. This study also examines the perceived justice in the context of the performance management system. Thus, it can be considered a critical step forwarding in directing theories regarding PEPMS effects and its sub-dimensions, mainly the accuracy, that have received minimal attention in the Palestinian environment till today. The elaborated framework proposes that PEPMS positively influences affective commitment, and employee participation strengthens such impact.

The results confirmed the two-factor construct of PEPMS as found in Sharma et al. (2016). Moreover, the results also confirm that accuracy is explained by four observed variables (performance planning accuracy, feedback and coaching accuracy, outcome accuracy, and performance review accuracy). The findings also indicate that PEPMS has a significant positive impact on affective commitment. This result supports Sharma et al. (2016), who found that PEPMS positively impacts organizational commitment. It is also shown that the fairness dimension has a positive impact on affective commitment. This result aligns with several studies that discussed the effect of organizational justice and its dimensions on affective commitment (Ha & Ha, 2015; Lee & Wei, 2017; Simons & Roberson, 2003; Ohana et al., 2013; Scheller & Harrison, 2018). The impact of accuracy dimension on affective commitment was found to be insignificant. This contradicts Berdicchia et al. (2021), who found that the accuracy dimension affects intrinsic and extrinsic motivation.

The paper also revealed that employee participation has a positive impact on AC. This result aligns with Bhatti et al. (2011) and Abdulkadir et

al. (2012), who found that employee participation improves commitment and productivity.

Surprisingly, results reveal that employee participation does not moderate the relationship between PEPMS and affective commitment. In addition, employee participation does not moderate the relationship between the justice dimension and affective commitment. Moreover, a high level of employee participation reduces the impact of perceived accuracy of PMS on affective commitment. In other words, the more positive employee participation is, the more negative the effect of perceived accuracy of PMS on affective commitment becomes. These results contradict other studies, such as Tremblay and Roger (2004), who found that employee participation reduces the negative consequences of career plateauing on job satisfaction. When employee participation is high, employees are encouraged to participate in meetings, speak out their opinions, and challenge the group. In the performance management context and Palestinian culture, employees may have disagreements, confront, and conflicts with their supervisors during the performance management phases. Therefore, this will lead to reducing affective commitment.

CONCLUSION

This study aimed to test the moderating effect of employee participation in the relationship between PEPMS and affective commitment. Results of the study indicate that PEPMS influences affective commitment. While the justice dimension of PEPMS positively influences affective commitment, the impact of accuracy dimension was insignificant. Moreover, employee participation reduces the impact of the accuracy dimension on affective commitment.

Results prove the impact of PEPMS on affective commitment. Thus, conclusions suggest that organizations should consider the performance management system. Thus, these systems must be developed carefully to illustrate effectiveness, as this will promote affective commitment.

Managers should invest much effort to ensure the effectiveness of the performance management system. Although the accuracy dimension was found to be insignificant, when combined with the fairness dimension, the impact will be higher than the impact of the fairness dimension alone. Therefore, managers should guarantee the accuracy and the fairness of the performance management. For example, managers should integrate the phases of the performance management system. This may increase the consistency of the process and, therefore, increase its accuracy. Justice dimension has more influence on affective commitment; therefore, it should receive more attention. Clear and precise procedures may be perceived as fair. Moreover, transparency and information available regarding the performance management process may increase its perceived fairness.

To ensure the perceived effectiveness of the performance management system, employee involvement and acceptance of performance management systems is highly suggested. By doing so, employees' affective commitment will increase. This will enable companies to grasp the outcomes of committed employees, such as enhanced performance (Meyer et al., 1989; Meyer et al., 2002; Chen & Francesco, 2003; Bizri et al., 2021); higher organizational citizenship behavior (Meyer et al., 2002); higher work engagement (Gelderden & Bik, 2016); and higher job involvement (Singh & Gupta, 2015).

Since employee participation, in the context of the performance management system, has a negative moderating effect on affective commitment, employee participation should be carefully managed.

Finally, this study may encounter several limitations. First, data were gathered from employees in service companies in Palestine. Second, the sample size was 175, which may seem a small sample. Therefore, the model should be tested in other geographic areas using a paper-based questionnaire. Since this study was conducted in a service company, further research is required in more specific areas, i.e., financial companies, or different contexts, i.e., industrial companies. Moreover, the unexpected results of the moderating role of employee participation require more investigation.

AUTHOR CONTRIBUTIONS

Conceptualization: Emad Waladali.
Data curation: Emad Waladali.
Formal analysis: Emad Waladali.
Funding acquisition: Emad Waladali.
Investigation: Emad Waladali.
Methodology: Emad Waladali.
Project administration: Emad Waladali.
Resources: Emad Waladali.
Software: Emad Waladali.
Supervision: Emad Waladali.
Validation: Emad Waladali.
Visualization: Emad Waladali.
Writing – original draft: Emad Waladali.
Writing – review & editing: Emad Waladali.

REFERENCES

1. Abdulkadir, D. S., Isiaka, S. B., & Adedoyin, S. I. (2012). Effects of strategic performance appraisal, career planning and employee participation on organizational commitment: An Empirical Study. *International Business Research*, 5(4), 124-133. <https://doi.org/10.5539/ibr.v5n4p124>
2. Aguinis, H., Joo, H., & Gottfredson, R. K. (2011). Why we hate performance management – And why we should love it. *Business Horizons*, 54(6), 503-507. <https://doi.org/10.1016/j.bushor.2011.06.001>
3. Allen, G. W., Attoh, P. A., & Gong, T. (2017). Transformational leadership and affective organizational commitment: mediating roles of perceived social responsibility and organizational identification. *Social Responsibility Journal*, 13(3), 585-600. <https://doi.org/10.1108/SRJ-11-2016-0193>
4. Allen, N. J., & Meyer, J. P. (1990). The measurement and antecedents of affective, continuance and normative commitment to the organization. *Journal of Occupational Psychology*, 63(1), 1-18. <https://doi.org/10.1111/j.2044-8325.1990.tb00506.x>
5. Amaratunga, D., & Baldry, D. (2002). Moving from performance measurement to performance management. *Facilities*, 20(5/6), 217-223. <https://doi.org/10.1108/02632770210426701>
6. Armstrong, M. (2006). *A handbook of human resource management practice* (10th ed.). London, United Kingdom: Kogan Page Limited.
7. Asamany, A., & Shaorong, S. (2018). The ripple effects of performance management on employees' perceptions and affective commitment among small and medium scale

- enterprises (SMEs). *International Journal of Business Administration*, 9(1), 55-63. <https://doi.org/10.5430/ijba.v9n1p55>
8. Baird, K., Schoch, H., & Chen, Q. (2012). Performance management system effectiveness in Australian local government. *Pacific Accounting Review*, 24(2), 161-185. <https://doi.org/10.1108/01140581211258461>
 9. Bento, A., & Bento, B. (2006). Factors affecting the outcomes of performance management systems. *Journal of Information Technology Management*, 17(2), 23-32.
 10. Berdicchia, D., Bracci, E., & Masino, G. (2021). Disentangling the effect of perceived performance management system accuracy on intrinsic and extrinsic motivation. *Meditari Accountancy Research*. <https://doi.org/10.1108/MEDAR-08-2020-0972>
 11. Bevan, S., & Thompson, M. (1991). Performance management at the crossroads. *Personnel Management*, 23(11), 9-36.
 12. Bhatti, K. K., Nawab, S., & Akbar, A. (2011). Effect of direct participation on organizational commitment. *International Journal of Business and Social Science*, 2(9), 15-23.
 13. Biron, M., Farndale, E., & Paauwe, J. (2011). Performance management effectiveness: lessons from world-leading firms. *The International Journal of Human Resource Management*, 22(6), 1294-1311. <https://doi.org/10.1080/09585192.2011.559100>
 14. Bizri, R., Wahbi, M., & Al Jardali, H. (2021). The impact of CSR best practices on job performance: The mediating roles of affective commitment and work engagement. *Journal of Organizational Effectiveness: People and Performance*, 8(1), 129-148. <https://doi.org/10.1108/JOEPP-01-2020-0015>
 15. Bollen, K. A. (1989). A new incremental fit index for general structural equation models. *Sociological Methods & Research*, 17(3), 303-316.
 16. Bos-Nehles, A., Conway, E., & Fox, G. (2021). Optimising human resource system strength in nurturing affective commitment: Do all meta-features matter? *Human Resource Management Journal*, 31(2), 493-513. <https://doi.org/10.1111/1748-8583.12320>
 17. Breitsohl, H., & Ruhle, S. (2013). Residual affective commitment to organizations: Concept, causes and consequences. *Human Resource Management Review*, 23(3), 161-173.
 18. Casimir, Ngee Keith Ng, Y., Yuan Wang, K., & Ooi, G. (2014). The relationships amongst leader-member exchange, perceived organizational support, affective commitment, and in-role performance: A social-exchange perspective. *Leadership & Organization Development Journal*, 35(5), 366-385. <https://doi.org/10.1108/LODJ-04-2012-0054>
 19. Chami-Malaeb, R., & Garavan, T. (2013). Talent and leadership development practices as drivers of intention to stay in Lebanese organisations: The mediating role of affective commitment. *The International Journal of Human Resource Management*, 24(21), 4046-4062. <https://doi.org/10.1080/09585192.2013.789445>
 20. Chen, Z. X., & Francesco, A. M. (2003). The relationship between the three components of commitment and employee performance in China. *Journal of Vocational Behavior*, 62(3), 490-510. [https://doi.org/10.1016/S0001-8791\(02\)00064-7](https://doi.org/10.1016/S0001-8791(02)00064-7)
 21. Cheng, S. Y. (2014). The mediating role of organizational justice on the relationship between administrative performance appraisal practices and organizational commitment. *The International Journal of Human Resource Management*, 25(8), 1131-1148. <https://doi.org/10.1080/09585192.2013.816864>
 22. Cohen-Charash, Y., & Spector, P. E. (2001). The role of justice in organizations: A Meta-Analysis. *Organizational Behavior and Human Decision Processes*, 86(2), 278-321. <https://doi.org/10.1006/obhd.2001.2958>
 23. Colquitt, J. A., Lepine, J. A., & Wesson, M. J. (2015). *Organizational behavior: Improving performance and commitment in the workplace* (4th ed.). New York, NY: McGraw-Hill.
 24. Colquitt, J. A. (2001). On the dimensionality of organizational justice: A construct validation of a measure. *Journal of Applied Psychology*, 86(3), 386-400. <https://doi.org/10.1037//0021-9010.86.3.386>
 25. Curado, C., & Vieira, S. (2019). Trust, knowledge sharing and organizational commitment in SMEs. *Personnel Review*, 48(6), 1449-1468. <https://doi.org/10.1108/PR-03-2018-0094>
 26. Decramer, A., Smolders, C., & Vanderstraeten, A. (2013). Employee performance management culture and system features in higher education: relationship with employee performance management satisfaction. *The International Journal of Human Resource Management*, 24(2), 352-371. <https://doi.org/10.1080/09585192.2012.680602>
 27. DeNisi, A. S., & Pritchard, R. D. (2006). Performance appraisal, performance management and improving individual performance: A motivational framework. *Management and Organization Review*, 2(2), 253-277.
 28. Dessler, G. (2013). *Human resource management* (13th ed.). Upper Saddle River, New Jersey, USA: Pearson Education Inc.
 29. Erdogan, B. (2002). Antecedents and consequences of justice perceptions in performance appraisals. *Human Resource Management Review*, 12(4), 555-578. [https://doi.org/10.1016/S1053-4822\(02\)00070-0](https://doi.org/10.1016/S1053-4822(02)00070-0)
 30. Flint, D. H. (1999). The role of organizational justice in multi-source performance appraisal: Theory-based applications and directions for research. *Human Resource Management Review*, 9(1), 1-20. [https://doi.org/10.1016/S1053-4822\(99\)00009-1](https://doi.org/10.1016/S1053-4822(99)00009-1)

31. Forret, M. L., & Dougherty, T. W. (2001). Correlates of networking behavior for managerial and professional employees. *Group & Organization Management*, 26(3), 283-311. Retrieved from <http://homepages.se.edu/cvonbergen/files/2013/01/Correlates-of-Networking-for-Managerial-and-Professional-Employees.pdf>
32. Furnham, A. (2004). Performance management systems. *European Business Journal*, 16, 83-94.
33. Gelderen, B. R., & Bik, L. W. (2016). Affective organizational commitment, work engagement and service performance among police officers. *Policing: An International Journal of Police Strategies & Management*, 39(1), 206-221. <https://doi.org/10.1108/PIJPSM-10-2015-0123>
34. Ghosh, S., & Srivastava, B. K. (2014). Construction of a reliable and valid scale for measuring organizational culture. *Global Business Review*, 15(3), 583-596. <https://doi.org/10.1177/0972150914535145>
35. Ghumman, A.-M. (2021). Organizational justice and employees' knowledge sharing Behavior in Pakistan: Moderating effect of perceived organizational support. *Academy of Strategic Management Journal*, 20(5), 1-20.
36. Gilbert, C., De Winne, S., & Sels, L. (2011). The influence of line managers and HR department on employees' affective commitment. *The International Journal of Human Resource Management*, 22(8), 1618-1637. <https://doi.org/10.1080/09585192.2011.565646>
37. Glendinning, P. M. (2002). Performance Management: Pariah or Messiah. *Public Personnel Management*, 31(2), 161-178.
38. Grensing-Pophal, L. (2001). Motivate managers to review performance. *HR Magazine*, 46(3), 45-48. Retrieved from <https://www.shrm.org/hr-today/news/hr-magazine/pages/0301pophal.aspx>
39. Grund, C., & Titz, K. (2021). Affective commitment through further training: The roles of firm provision and employee participation. *Review of Managerial Science*, 1-32. <https://doi.org/10.1007/s11846-021-00460-1>
40. Ha, J.-P., & Ha, J. (2015). Organizational justice–affective commitment relationship in a team sport setting: The moderating effect of group cohesion – ERRATUM. *Journal of Management & Organization*, 21(1), 107-124. <https://doi.org/10.1017/jmo.2014.67>
41. Haines, V. Y., & St-Onge, S. (2012). Performance management effectiveness: practices or context? *The International Journal of Human Resource Management*, 23(6), 1158-1175. <http://dx.doi.org/10.1080/09585192.2011.561230>
42. Hair, J. F., Anderson, R. E., Tatham, R. L., & Black, W. C. (1995). *Multivariate Data Analysis* (3rd ed.). New York: Macmillan Publishing Company.
43. Hair, J. F., Ringle, C. M., & Sarstedt, M. (2013). Partial least squares structural equation modeling: Rigorous applications, better results and higher acceptance. *Long Range Planning*, 46(1-2), 1-12. Retrieved from <https://ssrn.com/abstract=2233795>
44. Hazard, P. (2004). Tackling performance management barriers. *Strategic HR Review*, 3, 3-7.
45. Hong, G., Cho, Y., Froese, F. J., & Shin, M. (2016). The effect of leadership styles, rank, and seniority on affective organizational commitment: A comparative study of US and Korean employees. *Cross Cultural & Strategic Management*, 23(2), 40-362. <https://doi.org/10.1108/CCSM-03-2014-0034>
46. Howell, A., Kirk-Brown, A., & Cooper, B. K. (2012). Does congruence between espoused and enacted organizational values predict affective commitment in Australian organizations? *The International Journal of Human Resource Management*, 23(4), 731-747. <http://dx.doi.org/10.1080/09585192.2011.561251>
47. Hu, L.-t., & Bentler, P. M. (1999). Cutoff criteria for fit indexes in covariance structure analysis: Conventional criteria versus new alternatives. *Structural Equation Modeling: A Multidisciplinary Journal*, 6(1), 1-55. <https://doi.org/10.1080/10705519909540118>
48. Hulland, J., Baumgartner, H., & Smith, K. M. (2018). Marketing survey research best practices: evidence and recommendations from a review of JAMS articles. *Journal of the Academy of Marketing Science*, 46(1), 92-108.
49. Imamoglu, S. Z., Ince, H., Turkcan, H., & Atakay, B. (2019). The effect of organizational justice and organizational commitment on knowledge sharing and firm performance. *Procedia Computer Science*, 158(2), 899-906. <https://doi.org/10.1016/j.procs.2019.09.129>
50. Jaros, S. (2007). Meyer and Allen model of organizational commitment: Measurement issues. *The Icfa 8 Journal of Organizational Behavior*, 6(10), 7-24.
51. Jayasingam, S., Govindasamy, M., & Singh, S. K. (2016). Instilling affective commitment: Insights on what makes knowledge workers want to stay. *Management Research Review*, 39(3), 266-288. <https://doi.org/10.1108/MRR-03-2014-0060>
52. Konovsky, M. A., & Cropanzano, R. (1991). Perceived fairness of employee drug testing as a predictor of employee attitudes and job performance. *Journal of Applied Psychology*, 76(5), 698-707. <https://doi.org/10.1037/0021-9010.76.5.698>
53. Kuvaas, B. (2006). Work performance, affective commitment, and work motivation: the roles of pay administration and pay level. *Journal of Organizational Behavior*, 27(3), 365-385. <https://doi.org/10.1002/job.377>
54. Lawler, E. E. (2003). Reward practices and performance management system effectiveness. *Organizational Dynamics*, 32(4), 396-404. <https://doi.org/10.1016/j.orgdyn.2003.08.007>

55. Lee, J., & Wei, F. (2017). The moderating effect of leadership on perceived organizational justice and affective commitment: a study in China. *The International Journal of Human Resource Management*, 28(5), 679-702. <https://doi.org/10.1080/09585192.2015.1109533>
56. Leung, K., Su, S., & Morris, M. W. (2001). When is criticism not constructive? The roles of fairness perceptions and dispositional attributions in employee acceptance of critical supervisory feedback. *Human Relations*, 54(9), 1155-1187.
57. Masterson, S. S., Lewis, K., Goldman, B. M., & Taylor, M. S. (2000). Integrating justice and social exchange: The differing effects of fair procedures and treatment on work relationships. *Academy of Management Journal*, 43(4), 738-748. <https://doi.org/10.5465/1556364>
58. Mello, J. A. (2014). *Strategic human resource* (4th ed.). Stamford, USA: Cengage Learning.
59. Mercurio, Z. A. (2015). Affective commitment as a core essence of organizational commitment: An integrative literature review. *Human Resource Development Review*, 14(4), 389-414. <https://doi.org/10.1177/1534484315603612>
60. Meyer, J. P., & Allen, N. J. (1984). Testing the "side-bet theory" of organizational commitment: Some methodological considerations. *Journal of Applied Psychology*, 69(3), 372-378. <https://doi.org/10.1037/0021-9010.69.3.372>
61. Meyer, J. P., & Parfyonova, N. M. (2010). Normative commitment in the workplace: A theoretical analysis and re-conceptualization. *Human Resource Management Review*, 20(4), 283-294. <https://doi.org/10.1016/j.hrmr.2009.09.001>
62. Meyer, J. P., Allen, N. J., & Catherine, A. (1993). Commitment to organizations and occupations: Extension and test of a three-component conceptualization. *Journal of Applied Psychology*, 78(4), 538-551. <https://doi.org/10.1037/0021-9010.78.4.538>
63. Meyer, J. P., Paunonen, S. V., Gellatly, I. R., Goffin, R. D., & Jackson, D. N. (1989). Organizational commitment and job performance: It's the nature of the commitment that counts. *Journal of Applied Psychology*, 74(1), 152-156. <https://doi.org/10.1037/0021-9010.74.1.152>
64. Meyer, J. P., Stanley, D. J., Herscovitch, L., & Topolnytsky, L. (2002). Affective, continuance, and normative commitment to the organization: A meta-analysis of antecedents, correlates, and consequences. *Journal of Vocational Behavior*, 61(1), 20-52. <https://doi.org/10.1006/jvbe.2001.1842>
65. Moin, M. F. (2018). The link between perceptions of leader emotion regulation and followers' organizational commitment. *Journal of Management Development*, 37(2), 178-187. <https://doi.org/10.1108/JMD-01-2017-0014>
66. Moorman, R. H. (1991). Relationship between organizational justice and organizational citizenship behaviors: Do fairness perceptions influence employee citizenship? *Journal of Applied Psychology*, 76(6), 845-855. <https://doi.org/10.1037/0021-9010.76.6.845>
67. Ohana, M., Meyer, M., & Swaton, S. (2013). Decision-Making in social enterprises: Exploring the link between employee participation and organizational commitment. *Nonprofit and Voluntary Sector Quarterly*, 42(6), 1092-1110. <https://doi.org/10.1177/0899764012451368>
68. Papacharalampous, N., & Papadimitriou, D. (2021). Perceived corporate social responsibility and affective commitment: The mediating role of psychological capital and the impact of employee participation. *Human Resource Development Quarterly*, 32(3), 251-272. <https://doi.org/10.1002/hrdq.21426>
69. Podsakoff, M., MacKenzie, B., Lee, Y., & Podsakoff, P. (2003). Common method biases in behavioral research: A critical review of the literature and recommended remedies. *Journal of Applied Psychology*, 88(5), 879-903. <https://doi.org/10.1037/0021-9010.88.5.879>
70. Pollet, V., & Meij, L. (2017). To remove or not to remove: the impact of outlier handling on significance testing in testosterone data. *Adaptive Human Behavior and Physiology*, 3(1), 43-60.
71. Rademan, D. J., & Vos, H. D. (2001). Performance appraisals in the public sector: Are they accurate and fair? *Journal of Industrial Psychology*, 27(1), 54-60. <https://doi.org/10.4102/sajip.v27i1.776>
72. Rao, S. (2007). Effectiveness of performance management systems: An empirical study in Indian companies. *The International Journal of Human Resource Management*, 18(10), 1812-1840. <https://doi.org/10.1080/09585190701570973>
73. Ribeiro, N., Nguyen, T., Duarte, A. P., Torres de Oliveira, R., & Faustino, C. (2021). How managerial coaching promotes employees' affective commitment and individual performance. *International Journal of Productivity and Performance Management*, 70(8), 2163-2181. <https://doi.org/10.1108/IJPPM-10-2018-0373>
74. Ribeiro, N., Yücel, İ., & Gomes, D. (2018). How transformational leadership predicts employees' affective commitment and performance. *International Journal of Productivity and Performance Management*, 67(9), 1901-1917. <https://doi.org/10.1108/IJPPM-09-2017-0229>
75. Robbins, S. P., & Coulter, M. (2018). *Management* (14th ed.). New York, NY, USA: Pearson Education, Inc.
76. Robbins, S. P., & Judge, T. A. (2017). *Organizational behavior* (17th ed.). Boston, USA: Pearson Education Limited.
77. Scheller, E. M., & Harrison, W. (2018). Ignorance Is Bliss, or Is It? The Effects of Pay Transparency, Informational

- Justice and Distributive Justice on Pay Satisfaction and Affective Commitment. *Compensation & Benefits Review*, 50(2), 65-81. <https://doi.org/10.1177/0886368719833215>
78. Sekaran, U., & Bougie, R. (2010). *Research Methods for Business A Skill-Building Approach* (5th ed.). New York: John Wiley & Sons.
79. Sharma, N. P., Sharma, T., & Agarwal, M. N. (2016). Measuring employee perception of performance management system effectiveness. *Employee Relations*, 38(2), 224-247. <https://doi.org/10.1108/ER-01-2015-0006>
80. Simons, T., & Roberson, Q. (2003). Why managers should care about fairness: The effects of aggregate justice perceptions on organizational outcomes. *Journal of Applied Psychology*, 88(3), 432-443. <https://doi.org/10.1037/0021-9010.88.3.432>
81. Singh, A., & Gupta, B. (2015). Job involvement, organizational commitment, professional commitment, and team commitment: A study of generational diversity. *Benchmarking: An International Journal*, 22(6), 1192-1211.
82. Tremblay, M. (2021). Understanding the dynamic relationship between career plateauing, organizational affective commitment and citizenship behavior. *Journal of Vocational Behavior*, 129, 103611. <https://doi.org/10.1016/j.jvb.2021.103611>
83. Tremblay, M., & Roger, A. (2004). Career plateauing reactions: the moderating role of job scope, role ambiguity and participation among Canadian managers. *The International Journal of Human Resource Management*, 15(6), 996-1017. <https://doi.org/10.1080/09585190410001677287>
84. Vandenberghe, C., Landry, G., Bentein, K., Anseel, F., Mignonac, K., & Roussel, P. (2021). A Dynamic Model of the Effects of feedback-seeking behavior and organizational commitment on newcomer turnover. *Journal of Management*, 47(2), 519-544. <https://doi.org/10.1177/0149206319850621>
85. Waeyenberg, T. V., Decramer, A., Desmidt, S., & Audenaert, M. (2017). The relationship between employee performance management and civil servants' turnover intentions: A test of the mediating roles of system satisfaction and affective commitment. *Public Management Review*, 19(6), 747-764. <https://doi.org/10.1080/14719037.2016.1209230>
86. West, S. G., Finch, J. F., & Curran, P. J. (1995). Structural equation models with nonnormal variables: Problems and remedies. In R. H. Hoyle (Ed.), *Structural equation modeling: Concepts, issues, and applications* (pp. 56-75). Sage.
87. Yu, Y., Baird, K. M., & Tung, A. (2018). Human resource management in Australian hospitals: the role of controls in influencing the effectiveness of performance management systems. *The International Journal of Human Resource Management*, 32(4), 920-947. <https://doi.org/10.1080/09585192.2018.1511618>
88. Zhang, H., & Agarwal, N. C. (2009). The mediating roles of organizational justice on the relationships between HR practices and workplace outcomes: an investigation in China. *The International Journal of Human Resource Management*, 20(3), 676-693. <https://doi.org/10.1080/09585190802707482>

APPENDIX A. List of the questionnaire items

| Construct | Item | Reference |
|--------------------------------------|---|-----------------------------|
| Performance planning accuracy (PPA) | The performance plan based on PMS gives a clear idea of what is expected to meet organizational goals (PPA1) | Sharma et al. (2016) |
| | The performance plan helps me focus my efforts through identification of goals (and/or behaviors/skills) relevant to meet organizational goals (PPA2) | |
| | My manager and I update my goals as business goals change (PPA3) | |
| Feedback and coaching accuracy (FCA) | The ongoing feedback during the performance cycle gives an accurate evaluation of how I am performing against planned performance (FCA1) | Sharma et al. (2016) |
| | During the year my areas for improvement are clearly pointed out (FCA2) | |
| | I get the coaching I need during the year to achieve my goals (and/or improve my behaviors/skills) and planned performance (FCA3) | |
| Performance review accuracy (PRA) | Annual feedback during performance review is an accurate representation of the ongoing feedback during the performance cycle (PRA1) | Sharma et al. (2016) |
| | My goals (behaviors/ skills) are accurately rated as part of the view process (PRA2) | |
| | My annual performance review is very objective in assessment of my annual performance against planned performance (PRA3) | |
| Outcomes accuracy (OUA) | Performance review results in an accurate performance rating (OUA 1) | Sharma et al. (2016) |
| | My PMS outcomes (compensation, reward and/or recognition) are linked to my performance rating (OUA 2) | |
| | My annual performance review is directly related to my PMS outcomes (compensation, reward and/or recognition) (OUA 3) | |
| Procedural justice (PRJ) | Have you been able to express your views and feelings during those procedures? (PRJ1) | Colquitt (2001) |
| | Have those procedures been applied consistently? (PRJ2) | |
| | Have those procedures been free of bias? (PRJ3) | |
| | Have those procedures been based on accurate information? (PRJ4) | |
| | Have you been able to appeal the (outcome) arrived at by those procedures? (PRJ5) | |
| | Have those procedures upheld ethical and moral standards? (PRJ6) | |
| Distributive justice (DIJ) | Does your (outcome) reflect the effort you have put into your work? (DIJ 1) | Colquitt (2001) |
| | Is your (outcome) appropriate for the work you have completed? (DIJ 2) | |
| | Does your (outcome) reflect what you have contributed to the organization? (DIJ3) | |
| | Is your (outcome) justified, given your performance? (DIJ 4) | |
| Interpersonal justice (INJ) | Has (he/she) treated you in a polite manner? (INJ1) | Colquitt (2001) |
| | Has (he/she) treated you with dignity? (INJ2) | |
| | Has (he/she) treated you with respect? (INJ3) | |
| | Has (he/she) refrained from improper remarks or comments? (INJ4) | |
| Informational justice (IFJ) | Has (he/she) been candid in (his/her) communications with you? (IFJ1) | Colquitt (2001) |
| | Has (he/she) explained the procedures thoroughly? (IFJ2) | |
| | Were (his/her) explanations regarding the procedures reasonable? (IFJ3) | |
| | Has (he/she) communicated details in a timely manner? (IFJ4) | |
| | Has (he/she) seemed to tailor (his/her) communications to individuals' specific needs? (IFJ5) | |
| Affective commitment (AFC) | I am very happy being a member of this organization (AFC1) | Jaros (2007) |
| | I enjoy discussing about my organization with people outside it (AFC2) | |
| | I really feel as if this organization's problems are my own (AFC3) | |
| | I think that I could easily become as attached to another organization as I am to this one (AFC4) | |
| | I do not feel like 'part of the family' at my organization (AFC5) | |
| | I do not feel 'emotionally attached' to this organization (AFC6) | |
| | This organization has a great deal of personal meaning for me (AFC7) | |
| | I do not feel a 'strong' sense of belonging to my organization (AFC8) | |
| Employee participation (EPA) | Everybody is encouraged to participate in meetings (EPA1) | Ghosh and Srivastava (2014) |
| | In meetings we seek to understand everyone's viewpoint (EPA2) | |
| | Members are prepared to challenge assumptions of the group (EPA3) | |
| | Speaking out the truth, even if it is bitter, is encouraged (EPA4) | |