

Talent Categorization & Justice Perception: An Empirical Study

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In a large manufacturing setup employees are categorized either as learner (low performer), competent (average performer) or leader (high performer) by their superiors during annual performance appraisal. This paper investigates and analyzes as to how this categorization and perception as frozen out during yearly talent reviews affects outcomes on (a) individual mindset in human resource parlance with respect to job satisfaction, turnover intention and job engagement and (b) justice perception. The study has used the empirical method of analysis and field based research to examine the concepts and based on the findings concludes that talent differentiation has an impact on individual mindset and justice perception.

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Introduction

Every year, after the conclusion of performance appraisal cycle a series of heartburn gets evidenced amongst the employees. All of a sudden the pre appraisal vibrant ambience and enthusiastic employees turn into a gloomy group and pale/withdrawn faces are testimony to this fact. The same was the scenario in a large manufacturing setup where the study was carried out. Here employees are categorized either as learner, competent or leader during annual talent review as per PMS guidelines referred in Tables 1 and 2. It is in the aforesaid context this paper analyzes as to how this categorization and perception as frozen during yearly talent reviews affects: (a) individual mindset as an outcome in human resource parlance with respect to job satisfaction, turnover intention and job engagement and (b) organizational justice perception.

Williams and Levy (2000) observed that the manner in which talent categorization process is carried out in an organization significantly influences employee mindset towards work, their su-

Table 1 Guidelines for Competency Rating

Learner	Competent	Leader
The competency is not fully developed and is applied under guidance, characterized by a feeling “I see an effort for displaying these competencies at times”.	The competency is well developed and is applied well in complex situations, characterized by “I see this competency being displayed often”.	The competency is developed in superior fashion and proficiently practiced. Somebody who can mentor others in improving their competency level, characterized by a feeling “Is best in class”.

Table 2 Guideline for KRA Compliance

Learner	Competent	Leader
Below expected level of performance and is a cause of concern. Such performance may have caused stress to other team members / department in meeting the department’s goals.	Meets the set target and expected level of performance. There is a fair probability of success in the actual level attained. Such achievement helps all other interfaces in meeting their expected level of performance.	Much above the stretched level of performance. Actual achievement is exemplary in the sense that the degree of difficulty was very high. Such achievement stands apart.

periors, peers and operating system. Hence individual perceptions and their mindset with respect to different aspects of talent categorization process may be of utmost importance to organizational performance in the long run. Various researches carried out in the past suggest that talent differentiation has an impact on job satisfaction (MacBeath, 2006); low attrition rate (Di Romualdo, 2009; Tansley, 2007; Yapp, 2009); employee engagement (Di Romualdo, 2009; Gandossy & Kao, 2004). Available literature has also taken a cue from the self-efficacy theory of Bandura to explain the impact of talent categorization on employees’ job satisfaction, intention to quit and employee engagement. The theory explains the psychological impact arising out of talent categorization (Bandura, 1997).

Research Question

RQ1: Does talent categorization of individual as leader, competent and learner during end year appraisal have a differential impact on individual mindset dimensions with respect to job satisfaction, turnover intention and work engagement?

RQ 2: Does talent categorization of individual as leader, competent and learner during end year appraisal have an impact on the outcome of his/her perception on organizational justice dimensions?

Individual Mindset & Justice Perception

Human beings are emotional in nature. Hence, irrespective of whether we

encounter issues at home/social life or at workplace with superior/peer, the outcome leaves an impact on our mindset. The moment employees are ranked as superior/ mediocre at the end of the year, the bone of contention begins on the objectivity of assessment by superior.

Erdogan (2002) argued that employee emotions, their mindset and justice perceptions are important determinants to ascertain effectiveness of talent differentiation process. Boyd and Kyle (2004) have tried to find out the impact of procedural, distributive and interactional justice by assessing employee perceptions on talent categorization. A correlation between justice perception and individual mindset may be justified by studying the antecedents and consequences of justice perceptions on individual mindset as an outcome of talent categorization (Erdogan, 2002). However, very few research studies are carried out till date to investigate the influence of justice perceptions on employee mindset (Jawahar, 2007).

Procedural Justice

An organizational system may be considered as procedurally fair if: (a) there exists consistency, uniformity and transparency in laid down organizational procedures; (b) the process owners, implementers are neutral and impartial and (c) there exists an ambience of equal opportunity. Application of “due process” metaphor by Folger (1992) emphasized on attributes like adequate opportunity, fair hearing and judgment based on evidence to describe a procedurally fair appraisal system.

Distributive Justice

Individuals may feel dejected if there is a mismatch between efforts put in by them vis-a-vis the outcome.

Tang and Sarsfield-Baldwin (1996) emphasized that organizational systems having high level of distributive justice reflected greater job satisfaction. Literature suggests that performance appraisal system has taken a cue from Adams’ equity theory (Adams, 1965) which suggests that individuals may feel dejected if there is a mismatch between efforts put in by them vis-a-vis the outcome. Haar and Chester (2009) stated that in case individual perceives distributive inequity, intention to quit the organization crops up in his/her mind.

Interactional Justice

It is said in workplace parlance that half of the issues get resolved if there is an amicable interpersonal effectiveness between members working in the organization. In justice parlance this may be referred as interactional justice. Greenberg (1993) suggested that employees are affected by the sensitivity shown by their superiors, peers, subordinates and other stakeholders.

Objective of the Study

To evaluate the impact of talent categorization on individual mindset and organizational justice perception in a manufacturing set up and to find out the significant attributes of organizational jus-

tice dimensions having maximum influence on the perceptions of employees rated as leader, competent or learner.

Method of Study

The study has focused on talent categorization of employees working in a manufacturing organization. Management approval was taken for conducting the research study and appraisal data was collected with the condition that it will be used for research study only. Organization name as well as employees' names will be kept confidential. Appraisal data of last three years were collected for randomly selected individuals for the purpose of categorizing them as per the existing norms of talent classification of the organization.

Sample

Pre-test and post-test data were collected through survey on the following aspects:

- a) Annual performance rating and talent categorization (learner/ competent/ leader) of 150 employees.
- b) Variables such as Job satisfaction, Job engagement, Employees' turnover intention are measured on a five point Likert scale i.e. "1= Strongly

Disagree, 2= Disagree, 3= Neutral, 4= Agree, 5= Strongly Agree".

The survey questionnaires were sent to a total of 187 employees. Responses were received from 150 employees which was around 80.2 % of initial sample considered for the survey (Table 3).

The survey was conducted during Oct'12 - Mar'13. Pre-test data was collected in Oct'12 prior to annual appraisal of FY'13, and post- test data was collected in Mar'13 in FY'13. Survey questionnaires were distributed to same set of employees categorized as leaders/competent/learners for pre-test as well as post-test.

Hypotheses

Basic framework for study is given in fig. 1. The hypotheses taken for the study are stated as:

Hypothesis 1: Employees rated as leaders in PMS will be positively related to job satisfaction, intention to quit and job engagement than those rated as competent or learners.

Hypothesis 2: Employees rated as leaders in PMS will perceive positively towards procedural, distributive and interactional justice than those rated as competent or learners.

Table 3 Breakup of Respondents

Talent Categorization	No. of Survey Q'nnaires distributed		No. of Filled Up Survey Q'nnaires Received	
	Pre Test	Post Test	Pre Test	Post Test
Leaders	37	30	30	30
Competent	94	75	75	75
Learners	56	45	45	45

Fig. 1 Framework for Study



Hypothesis 3: Amongst attributes of organizational justice dimensions, performance feedback and awareness on organizational policies/processes will significantly influence the perceptions of employees rated as leader, competent or learner.

Measures

Job satisfaction was measured with items adapted from Neuberger and Allerbeck (1978) and Tsui, Egan and O’Reilly III (1992). The adapted instrument consisted of 10 items. Sample items include, “I am satisfied with the nature of work I perform”; “I am satisfied with my immediate superior”; “I am satisfied with relations with my colleagues”; “I am satisfied with my growth opportunities existing in this organization”; “I do feel that the work I do is appreciated” etc. The questionnaire to this extent was refined as per organizational need for the purpose of study. Internal consistency of scale was established by calculating Cronbach alpha which was found to be 0.79.

Employees turnover intention was measured with items adapted from Aryee, Budhwar and Chen (2002); Hopkins and Weathington (2006); Grote and Staffelbach (2011). Sample items include, “I often think about quitting my job with my present organization”; “I will probably look for a new job within the next year”; “Those who do well on the job stand a fair chance of being promoted”; “My last performance evaluation assisted me in improving my work” etc. Internal consistency of the scale was established by calculating Cronbach alpha which was found to be 0.86.

Job engagement was measured with items adapted from Aon Hewitt Engagement Survey framework. Sample items include, “At my work, I feel bursting with energy”; “My job inspires me”; “When I get up in the morning, I feel like going to work”; “I am proud of the work that I do”; “I get carried away when I am working”; etc. The scale’s alpha reliability was found to be 0.76.

Justice perception with respect to procedural justice, distributive Justice and interactional justice was measured with items adapted from Colquitt (2001), Keeping and Levy (2000), Sweeney and McFarlin (1993). The questionnaire to this extent was refined as per organizational need for the purpose of study. Sample items include, “My superior is accountable for the rating given by him”; “There is provision in HR policy for change of unfair/incorrect annual appraisal ratings”; “My superior rates his subordinates without any external pressure or biasness”; “My promotion and compensation related decisions made by superior is objective and fair”; “My superior justify my ratings in talent reviews through factual data and my actual contributions”; “I am encouraged by my superior to clarify my performance rating during one-to-one feedback session” etc. The scale’s alpha reliability was found to be 0.73.

Individual Mindset Index

An index is proposed to measure individual mindset which is arrived at by taking the weighted average of job satisfaction, intention to quit and job engagement index on a 5 point scale.

Justice Perception Index

An index is proposed to measure justice perception which is arrived at by taking the weighted average of justice dimensions with respect to procedural justice, distributive justice and interactional justice perception on a 5 point scale.

Control Variables

Clark (1997), Gilliam (2010), Jalal Sarker, Crossman and Chinmeteepituck (2003) in their studies have highlighted the potential significant relationships that may exist between different demographic variables like gender, age, tenure, job satisfaction, employees turnover intention, job engagement etc. Hence, related data on the aforesaid was compiled and analyzed.

Significant attributors of justice dimensions with respect to procedural, distributive and interactional justice perceptions were defined. These are KRA setting, performance feedback, appraisee’s participation in appraisal process, perceived knowledge of appraisee on existing organizational procedure and system.

Individual Mindset Dimensions

Pre Test: Mean score for items in the individual mindset dimensions for employees of the manufacturing unit rated as leaders, competent and learners ranged from 4.09 to 4.5; 2.59 to 3.1; 1.87 to 2.69 respectively. With respect to job satisfaction, mean values indicated that perception of employees categorized as leaders (Mean=4.44, SD=0.49) was higher than those categorized as competent (Mean=2.83, SD= 0.85) and that of learners (Mean=1.87, SD=0.60). Mean values for items of employee turnover intention throws contrast perception of employees categorized as leaders (Mean = 4.09, SD=0.57); competent (Mean=3.10, SD=0.75); learners (Mean=2.69, SD=0.67). This suggests that the percep-

tion of employees on intention to quit varies with talent categorization type they are tagged with during performance appraisal.

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Mean values for reverse scored items (“Those who do well on the job stand a fair chance of being promoted”; “In my company, I get the opportunity to realize myself”; “My last performance evaluation assisted me in improving my work”; “I receive useful evaluations of my strengths and weaknesses at work”) in intention to quit dimension indicated poor satisfaction: competent (Mean=2.17, SD=0.88); learner (Mean=1.37, SD=0.67). Descriptive statistics on work engagement dimension for employees categorized as leaders (Mean=4.5; SD=0.50); competent (Mean=2.59, SD=0.89); learners (Mean=2.26, SD=0.52) indicated that those categorized as leaders perceived high level of work engagement in the organization. On the contrary those categorized as competent and learners did not perceive so.

Post-Test: Mean score for items in individual mindset dimensions for employees rated as leaders, competent and learners ranged from 4.07 to 4.57; 2.49 to 3.0; 1.70 to 2.11 respectively. This shows that there is a decreasing trend in the perception of employees categorized as competent or learners if the talent categorization status of these respondents remained the same as it was during pre-test phase.

With respect to job satisfaction, mean values of variables indicated that employees categorized as leaders were quite satisfied as compared to those categorized as competent or learners: leaders (Mean=4.49; SD=0.50); competent (Mean = 2.68; SD= 0.83); learners (Mean=1.70; SD=0.61). On the employee turnover intention, responses indicated low intention to quit for those categorized as leaders; moderate intention to quit for employees categorized as competent; high intention to quit for those categorized as learners: leaders (Mean=4.07, SD=0.60); competent (Mean=3.0, SD=0.77); learners (Mean=2.65, SD=0.69).

Mean values for reverse scored items (“Those who do well on the job stand a fair chance of being promoted; In my company, I get the opportunity to realize myself; My last performance evaluation assisted me in improving my work; I receive useful evaluations of my strengths and weaknesses at work”) in intention to quit dimension indicated poor satisfaction: competent (Mean=2.41; SD=0.75); learner (Mean=1.57; SD= 0.70).

Descriptive statistics on work engagement for employees categorised as leaders (Mean=4.57; SD=0.49); competent (Mean=2.49; SD=0.89); learners (Mean=2.11; SD=0.52) indicated that those categorised as competent or learners perceived low level of engagement and commitment in the organisation.

The aforesaid comparison and analysis of pre test & post test data with re-

spect to individual mindset dimensions indicates support for Hypothesis 1.

Justice Perception Dimensions

Pre-Test: Mean score for items in justice perception dimensions for the employees of manufacturing unit rated as leaders, competent and learners ranged from 4.27 to 4.49, 2.98 to 3.13 and 1.30 to 1.41 respectively. Mean values indicated that employees rated as leaders during annual PMS perceived positively towards procedural justice as compared to employees rated as competent/learners: Leaders (Mean=4.27, SD=0.50); competent (Mean=2.98; SD=0.79); learner (Mean=1.41; SD=0.48). On the distributive justice perception, responses indicated that employees rated as leaders during annual PMS perceived positively as compared to employees rated as competent/learners: leaders (Mean=4.49; SD=0.51); competent (Mean=3.13, SD=0.75); learner (Mean=1.30, SD=0.45). Descriptive statistics on interactional justice perception for leaders (Mean=4.49; SD=0.51); competent (Mean=3.13, SD=0.76); learners (Mean=1.30, SD=0.44) indicated that employees rated as leaders during annual PMS perceived that there exists high level of interactional justice in the organization.

Employees rated as leaders during annual PMS perceived positively towards procedural justice as compared to employees rated as competent/learners.

Post Test: Mean score for items in justice perception dimensions for employees of manufacturing unit rated as leaders, competent and learners ranged from 4.50 to 4.56, 2.85 to 2.96 and 1.21 to 1.26 respectively. Mean values indicated that employees rated as leaders during annual PMS perceived positively towards procedural justice as compared to employees rated as competent/learners: leaders (Mean=4.50, SD=0.50); competent (Mean=2.85, SD=0.82); learner (Mean=1.26, SD=0.47). On distributive justice perception, responses indicated that employees rated as leaders during annual PMS perceived positively as compared to employees rated as competent/learners: leaders (Mean=4.56, SD=0.50), competent (Mean=2.96, SD=0.78); learner (Mean=1.21, SD=0.39). Descriptive statistics on interactional justice perception for leaders (Mean=4.56, SD=0.50); competent (Mean=2.96, SD=0.78); learners (Mean=1.21, SD=0.39) indicated that employees rated as leaders during annual PMS perceived that there exists high level of interactional justice in the organization.

The aforesaid comparison and analysis of pre-test and post-test data with respect to individual mindset dimensions indicate support for hypothesis 2.

Correlation Analysis

Among organizational justice dimensions, distributive justice had a significant positive correlation with tenure ($r=0.14$, $p<0.05$) only, while interactional justice had significant correlation with age ($r=0.10$, $p<0.01$), tenure ($r=0.17$, $p<0.05$)

(Table 4). Correlation analysis between individual mindset dimensions and demographic characteristics of respondents suggests that only job engagement had a significant relationship with age ($r=0.22$, $p<0.01$), gender ($r=-0.14$, $p<0.01$), tenure ($r=0.39$, $p<0.01$) (Table 5). Inter-correlation amongst organizational justice di-

mensions suggests highest correlation of 0.69 ($p<0.01$) (Table 6) between procedural and interactional justice. Significant positive correlation was also observed between distributive and interactional justice ($r=0.59$, $p<0.01$) as well as procedural and distributive justice ($r=0.55$, $p<0.01$).

Table 4 Inter Correlations amongst Demographic Characteristics & Justice Dimensions

	Age	Gender	Tenure	Procedural Justice	Distributive Justice	Interactional Justice
Age	1					
Gender	0.06	1				
Tenure	0.03	0.04	1			
Procedural Justice	-0.03	0.08	0.05	1		
Distributive Justice	0.11	-0.05	0.14	0.71**	1	
Interactional Justice	0.10	0.08	0.17*	0.67**	0.51**	1

* $p<0.05$; ** $p<0.01$

Table 5 Inter Correlations amongst Demographic Characteristics & Individual Mindset Dimensions

	Age	Gender	Tenure	Job Satisfaction	Intention to quit	Job Engagement
Age	1					
Gender	0.14	1				
Tenure	0.39**	0.04	1			
Job Satisfaction	0.14	0.08	0.08	1		
Intention to quit	0.21**	0.01	0.01	0.71**	1	
Job Engagement	0.22**	0.05	0.15*	0.67**	0.51**	1

* $p<0.05$; ** $p<0.01$

Analysis also revealed significant positive correlation ranging from 0.42 to 0.71 ($p<0.01$) between perceptions regarding justice dimensions and individual mindset dimensions. All the justice dimensions, viz., procedural, distributive and interactional justice had highest correlation with intention to quit ($r=0.71$, $r=0.55$, $r=0.66$; $p<0.01$ respectively) (Table 6). This suggests that by addressing attrition related

attributes, issues/processes, the individual fairness perceptions towards prevailing organisational system may improve.

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Table 6 Inter-correlations amongst Individual Mindset Dimensions & Justice Perception Dimensions

	Job Satisfaction	Intention to Quit	Work Engagement	Procedural Justice	Distributive Justice	Interactional Justice
Job Satisfaction	1					
Intention to Quit	0.58**	1				
Job Engagement	0.52**	0.60**	1			
Procedural Justice	0.53**	0.71**	0.55**	1		
Distributive Justice	0.42	0.55**	0.38**	0.55**	1	
Interactional Justice	0.48**	0.66**	0.51**	0.69**	0.59**	1

* $p < 0.05$; ** $p < 0.01$

Each individual mindset dimension was positively and significantly correlated with the other (Table 6). Amongst the individual mindset dimensions, job engagement and job satisfaction had highest positive correlation with intention to quit dimension ($r=0.60$, $p<0.01$; $r=0.58$, $p<0.01$ respectively) (Table 5).

Positive correlation exists between employees categorized as leaders with job satisfaction ($r=.39$, $p<.05$) and job engagement ($r=.41$, $p<.01$).

Regression Analysis

To examine hypothesis 3, it was imperative to see which variable (s) identified in the study (amongst organisational justice dimensions) had maximum influence on the perceptions of employees rated as leader, competent or learner. In order to identify the significant predictors of organisational justice dimensions, multiple regression analysis was carried out for each dimension, for employees rated as leader, competent or learner. Three multiple regression analyses were run for procedural, distributive and interactional justice dimensions and these are presented in Tables 7, 8 and 9 respectively.

Regression analysis results suggest that all four variables significantly predicted procedural justice (PJ) perceptions of officers rated as leader, competent or learner (adjusted $R^2= 0.48$; $F= 105.8$, $p < 0.00$). β value of 0.39 ($p<0.00$) (Table 7) indicated maximum influence of performance feedback on procedural justice perceptions followed by awareness on organisational policies/processes with a β weight of 0.19 ($p<0.00$). The other two variables, appraisee's participation and KRA Setting, did increase the predictability of the model but only to a limited extent. From the β weights of feedback (0.29, $p<0.00$) and awareness on organisational policies/processes (0.24, $p<0.00$), it can be inferred that these two dimensions were the only significant predictors for distributive justice and together explained 28% variance (Table 8). With respect to interactional justice perceptions, feedback, awareness on organisational policies/processes and appraisee's participation in performance management process accounted for 41% variance (adjusted $R^2 = 0.41$, $F = 75.9$, $p<0.00$) (Table 9). Similarly for procedural and distributive justice, performance feed-

Table 7 Procedural Justice Significant Attributors

	β	t	Sig	Adjusted R2	F Value	Total Variance Explained
KRA Setting	0.08	2.04	0.01	0.48	105.8	48%
Performance Feedback	0.39	8.11	0.00		(p<0.00)	
Appraisee's participation	0.08	2.08	0.01			
Aware of organizational policies/processes	0.19	4.57	0.00			

Table 8 Distributive Justice Significant Attributors

	β	t	Sig	Adjusted R2	F Value	Total Variance Explained
Performance Feedback	0.29	5.71	0.00	0.28	49.7	28%
Aware of organizational policies/processes	0.24	5.53	0.00		(p<0.00)	

Table 9 Interactional Justice Significant Attributors

	β	t	Sig	Adjusted R2	F Value	Total Variance Explained
Performance Feedback	0.42	7.87	0.00	0.41	75.9	41%
Appraisee's participation	0.09	2.26	0.01		(p<0.00)	
Aware of organizational policies/processes	0.15	3.41	0.00			

back emerged as the most significant predictor with a β weight of 0.39 & 0.29 (p<0.00). The aforesaid results supported hypothesis 3.

Multivariate Analysis of Variance (MANOVA)

Multivariate analysis of variance (MANOVA) about the perception of employees rated as leaders, competent, learners during annual PMS regarding individual mindset dimensions suggests support for hypotheses 1 & 2.

Perception on job satisfaction for respondents differed significantly (F=21.63, p<.01) as reflected in their mean score: leaders (pre-test C=4.44, post-test C=4.49); competent (pre-test C=2.83, post-test C=2.68); learners (pre- test C=1.87, post-test, C=1.70).

The results suggest that employees rated as leaders perceive higher job satisfaction than those rated as competent or learners. The mean scores for pre and post tests suggest that the perception becomes worse if an employee is con-

tinued to be rated as competent or learner. This is contrary to the employee satisfaction survey findings which suggest that employees are highly satisfied with their jobs. Hence it may be inferred from the survey outcome that perception of employees gets changed with the type of rating they are tagged with during annual PMS System. This kind of psychological impact on the mindset of employees may be short-lived, however if not addressed properly may create chaos in future.

Perception of employees gets changed with the type of rating they are tagged with during annual PMS System.

There was significant difference among the perception of respondents regarding intention to quit ($F=23.61, p<.01$) as reflected in the mean score for leaders (pre-test $C=4.09$, post-test $C=4.07$), competent (pre-test $C=3.10$, post-test $C=3.19$); learners (pre-test, $C=2.69$, post-test $C=2.81$). The results suggest that the intention to quit shows an upward trend for respondents rated as competent and learners in annual PMS. However, this perception doesn't get reflected in the attrition rate. Hence one needs to really find out as to what are the other indirect impacts of this dissatisfaction. While a dip in the employee productivity for a period of 3-4 months after the appraisal feedback may not be that alarming, however one has to be cautious that this does not have a long term impact on organisation's productivity and performance.

Respondents' perception regarding job engagement varied significantly ($F=22.19, p<.01$). The pre and post test mean scores for competent and learners suggest that there is a downward trend in engagement to disengagement ratio: competent (pre-test $C=2.59$, post-test $C=2.49$); learners (pre-test $C=2.26$, post-test $C=2.11$); leaders (pre-test $C=4.50$, post-test $C=4.57$). This corroborates the recently concluded findings of employee engagement study conducted by Aon Hewitt in the organisation.

Multivariate analysis of variance (MANOVA) about the perception of employees rated as leaders, competent, learners during annual PMS regarding justice perception dimensions suggests support for hypothesis 2.

Perception on procedural justice for respondents categorised as leaders, competent and learners differed significantly ($F=23.71, p<.01$) as reflected in their mean scores: leaders (pre-test $C=4.27$, post-test $C=4.50$); competent (pre-test $C=2.98$, post-test $C=2.85$); learners (pre-test $C=1.41$, post-test $C=1.26$).

The findings suggest that employees do have a feeling that the process owners, implementers are not neutral/impartial and there exists an element of doubt in their mind regarding equal opportunity being extended. This kind of perception if not addressed might impact organizational climate in the years to come.

There was significant difference among the perception of respondents regarding distributive justice ($F=25.43$,

$p < .01$) as reflected in the mean score for leaders (pre-test $C = 4.49$, post-test $C = 4.56$); competent (pre-test $C = 3.13$, post-test $C = 2.96$); learners (pre-test $C = 1.30$, post-test $C = 1.21$). The results sync with the findings of job satisfaction and also corroborate the observation made by Tang and Sarsfield-Baldwin (1996) who emphasized that organizational systems having low level of distributive justice result in lower job satisfaction.

Respondents' perception regarding interactional justice varied significantly ($F = 25.43$, $p < .01$). The pre and post test mean scores for competent and learners suggest that there is a downward trend in perception related to interactional justice aspect: competent (pre -test $C = 3.13$, post-test $C = 2.96$); learners (pre-test $C = 1.30$, post-test $C = 1.21$); leaders (pre -test $C = 4.49$; post- test $C = 4.56$). This suggests that employees categorised as competent or learners may not have received fair interpersonal treatment during the implementation of organizational processes.

Discussion

In today's scenario employees expect principles like authenticity, trust, involvement and personalisation to resonate strongly in their workplace. Hence progressive thought process of HR is the need of the hour.

It was quite evident that individual mindset dimensions with respect to job engagement, intention to quit and job satisfaction got influenced with the type of rating a person had during his/her end

year appraisal. Hence it could happen that the perception may remain as it is till the status quo on rating changes in the next PMS cycle.

The results suggest need for top management intervention in the area of appraisee's involvement in performance management system. Though organisation claims that appraisees participation and involvement is given high priority and being institutionalized in PMS, however the results show that this attribute was perceived as low by employees rated as leader, competent or learner. The organisation needs to address this loop. This can be improved if compliance to performance dialogue during mid -year/ end year appraisal happens and is reviewed by HR/Talent Review team/ Sr Executives. Also emphasis should be given on employees' participation during KRA setting.

The results on justice perception also reflect lack of trust/transparency amongst employees with respect to PMS. HR team should conduct dialogues and awareness sessions with employees/line managers and explain the philosophy of talent categorisation. The confusion appears to be with the ratings of individual as leaders, competent or learners. If the criteria of categorisation be made clear to employees, perhaps the heartburn will reduce a bit. The regular dialogues combined with action taken report on issues/grievances raised during dialogues may improve perceptions related to procedural justice fairness. The results obtained in this paper seem to support the interrelationship between

individual mindset and justice perception dimensions.

While regression results revealed that awareness on organisational policies/processes of employees did have an influence on interactional justice perceptions, however appraisee's participation, though an important aspect and which could have influenced interactional justice perceptions, did not improve the predictive capability of the regression model to a very large extent.

Limitation and Scope for Future Research

The results of the study were intuitive. However, the findings cannot be generalized to other organizations as the study was focused on the manufacturing organization. The small sample size of the respondents also reduces the generalizability of these findings to individuals not employed by this organization. Since the results may vary from industry to industry depending on its size, sector etc, it becomes imperative to carry out the same study in other organizations in different sectors like automotive, insurance, IT, banking to generalize the findings.

Conclusion

Despite the limitations, results suggest a number of important practical implications. According to the efficacy theory, high performers believe in the opportunity to rise high in the organization. However, employees who are not categorized as leaders evaluate their situation taking into

account the expectations or categorization of their counterparts. It could happen because of low rating the average employees get a second preference in terms of development opportunities as compared to high performers. Hence, it becomes imperative to have a regular employee dialogue by the superiors before appraisal and accordingly development plans should be chalked out. This will bring clarity on job, leadership expectancy and career objectives. Once these are being identified, career development opportunities should be chalked out and implemented. Available literature also suggests that career progressions and development plan play a vital role in employee's motivation (Gandossy & Kao, 2004; McGrath, 2008), Job satisfaction (Ellickson & Logsdon, 2001) and Commitment (Bartlett, 2001). This will certainly help the employee concerned to have a clear picture as to whether the opportunities they are being provided actually match their expectations, skills and expertise. This will also minimize the subjectivity an employee perceives that his/her colleagues are rated high in spite of his performance similar to the colleague's. Also role of business heads/line manager plays a significant contribution in changing the perception. Though HR has to act as a facilitator to make both appraisee and appraiser to understand the performance management criteria and philosophy, it's actually the line manager/business heads who have to take his subordinate into confidence by setting up clear expectations by means of robust KRA setting followed by regular performance review. This would help in minimizing the subjectivity related to performance rating as well as individuals per-

ception that rating is not a reflection of good 'boss management' rather it is performance focused.

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