The Relationship between Perceived Performance Appraisal Effectiveness and Employee Turnover Intention in Saudi Banks

Salem Alqarni
18549919

B.A. (Business, Specialisation in HRM), University of Newcastle, Australia
Master (Business Administration, Specialisation in HRM), University of Newcastle, Australia

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Supervisor:
Dr Thomas Klikauer
DEDICATION

I dedicate the thesis:

To my great father Mohammed and to my great mother Birkah for your support and encouragement to pursue my master’s degree.

To my brothers and sisters for giving me the emotional support, I needed when I felt like giving up.

To my beloved wife, Hajar, you tolerated my bad moods and late nights when I was writing this thesis.

To my friends in Saudi Arabia and Australia, you supported me emotionally and encouraged me when I was down.

And to my son, Mohammed, you changed my view of life and inspired me to work harder every day to finish this thesis.
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STATEMENT OF AUTHENTICATION

The work presented in this thesis is, to the best of my knowledge and belief, original except as acknowledged in the text. I hereby declare that I have not submitted this material, in full or in part, for a degree at this or any other institution.

(Signature)
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# ABBREVIATIONS AND ACRONYMS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>AMOS</td>
<td>Analysis of a Moment Structures</td>
</tr>
<tr>
<td>CFA</td>
<td>Confirmatory Factor Analysis</td>
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<tr>
<td>DV</td>
<td>Dependent Variable</td>
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<td>EFA</td>
<td>Exploratory Factor Analysis</td>
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<td>HRM</td>
<td>Human Resource Management</td>
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<td>ILBs</td>
<td>Islamic Local Banks</td>
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<tr>
<td>IV</td>
<td>Independent Variable</td>
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<tr>
<td>MLR</td>
<td>Multiple Linear Regression</td>
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<tr>
<td>NILBs</td>
<td>Non-Islamic Local Banks</td>
</tr>
<tr>
<td>NIPOFBs</td>
<td>Non-Islamic Partially Owned Foreign Banks</td>
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<tr>
<td>PA</td>
<td>Performance Appraisal</td>
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<tr>
<td>SABB</td>
<td>Saudi Arabia British Bank</td>
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<tr>
<td>SAMAl</td>
<td>Saudi Arabian Monetary Agency</td>
</tr>
<tr>
<td>SEM</td>
<td>Structural Equation Modelling</td>
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<td>SPSS</td>
<td>Statistical Package for the Social Sciences</td>
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ABSTRACT

This thesis explores, from a Human Resource Management (HRM) perspective, the relationship between perceived Performance Appraisal (PA) effectiveness and employee turnover intention in Saudi banks. There is a growing need for improved performance management processes in Saudi Arabia as the result of regulatory pressures and high levels of employee turnover. The study reported here examined the influence of perceived PA effectiveness on employees who work in the Saudi banking industry. The perceived PA effectiveness has six core elements including; goals, criteria, standards, source, feedback and frequency. This research also focused on assessing the strength of the relationship between the perceived PA effectiveness elements and employee turnover intention. A validated questionnaire was used to collect quantitative data from 201 employees of three Saudi banks located in Riyadh. The research findings support the hypothesis that the perceived PA effectiveness is negatively correlated with employee turnover intention in the Saudi banking industry. In addition, Multiple Linear Regression (MLR) analyses also showed that the feedback component of PA significantly predicted employee turnover intention in the Saudi banking industry. Findings from Structural Equation Modelling (SEM) analysis indicated that six components of PA explained 37% of the variation in employees’ turnover intention. These results significantly contribute to broaden the theoretical understanding of the implementation of PA and particularly the nature of its multidimensional structure while at the same time highlighting its role in influencing the issue of employee turnover intention in the Saudi banking industry.
CHAPTER 1 : INTRODUCTION

1.1 INTRODUCTION

The research reported in this thesis evaluated the relationship between the perceived effectiveness of employees’ Performance Appraisal (PA) and their intention to leave or stay in their current positions. This chapter explains the motivation for the study. It outlines the study background, discusses its aims and significance, states the research question and hypothesis, identifies its scope and limitations, and describes the organisation of the thesis.

1.2 BACKGROUND

PA and its impact on organisational behaviour have been widely investigated over recent decades. One of the main findings from this research is that PA has a crucial impact on employee performance and, ultimately, organisational performance (Cardy & Dobbins, 1994; Daoanis, 2012) and that the elements of performance that are measured strongly influence employee performance (Schoorman, Mayer, & Davis, 2007). PA also influences employees’ satisfaction levels and their intention to stay in the organisation (Aldhuwaihi, 2013). The individual’s perception of the PA system shapes the effectiveness of the PA (Levy & Williams, 2004; Pichler, 2012). A flawed PA system can result in conflicting feelings and dissatisfaction (Brown, Hyatt, & Benson, 2010). Moreover, PA often reflects the organisational culture (Al Harbi, Thursfield, & Bright, 2017). In other words, there is an active link between the level of satisfaction that employees have with their PA system and their overall satisfaction, which in turn influences their performance (Nair & Salleh, 2015).

Available research also shows that Saudi Arabian banks suffer from a high level of employee turnover (Aldhuwaihi, 2013; Aldhuwaihi & Shee, 2015). A better
understanding of the relationships between elements of the PA system and employee turnover will help management to improve the critical elements of the PA system that affect employee turnover intention. This should lead to a reduction in the turnover rate and, given the high costs of employee turnover to an organisation, improve its efficiency.

1.3 **SAUDI ARABIAN CONTEXT**

Decades of research in Saudi Arabian institutions and organisations have demonstrated the impact of culture on the country’s HRM practices, including the conduct of PA (Al Harbi et al., 2017). Al Harbi, Thursfield, and Bright (2017), for instance, reported that cultural elements constrained the effectiveness of western-style PA practices. There was a reticence to share performance expectations and question the PA process, and an inherent bias in the process that reflected the manager-employee relationship (Al Harbi et al., 2017). Rasheed, Khan, Rasheed, and Munir (2015) found that feedback from PA was the most important factor influencing employee’s performance in the Saudi Arabian context. The other variables were influenced by the degree of employee satisfaction with the kind of feedback they received. Yet PA effectiveness has not been empirically investigated in the Saudi Arabian context.

1.4 **RESEARCH AIMS**

The primary aim of the study was to examine the relationship between perceived PA effectiveness and employee turnover intention within the Saudi banking industry. The findings were expected to make a theoretical contribution to understanding the structure of perceived PA effectiveness as well as a practical contribution to HRM policy-making in Saudi Arabian banks to address their high employee turnover rates.
Specifically, the research sought to understand the nature of the relationship between the variables in the model presented in the following chapter (Figure 2.1). It examined the strength of the relationship between each of the perceived PA effectiveness elements and employee turnover intention in the Saudi banking industry. Through this understanding, management of Saudi Arabian banks can improve their PA systems in order to reduce the level of employee turnover intention. This aim generated the research question and hypothesis discussed below.

1.5 RESEARCH QUESTION AND HYPOTHESIS

The research addressed the following central question:

RQ: How does perceived performance appraisal effectiveness influence employee turnover intention in the Saudi banking industry?

To address this question, the following hypothesis was proposed:

H₁: There is a relationship between perceived performance appraisal effectiveness (goals, criteria, standards, source, feedback, and frequency) and employee turnover intention.

In other words, the study investigated the influence of perceived PA effectiveness on employees’ intention to remain in or leave their current position in the Saudi Arabian banking industry. The methodology that was developed to address the hypothesis is briefly described in the following section.

1.6 METHODOLOGY

This was an explanatory study of the relationship between perceived PA effectiveness and employee turnover intention in Saudi banks. It used survey methodology to collect data from male employees working in Saudi Arabian banks
located in Riyadh. A multi-stage cluster sampling technique was used to select a representative sample from the target population. One bank was selected from each banking cluster within the northern region of Riyadh, and then a set of bank branches was selected. A total of 201 questionnaires were received. The data were analysed using SPSS software.

1.7 SIGNIFICANCE OF THE STUDY

A review of the relevant literature indicated that no previous study had investigated the relationship between the six elements of the PA process and employee turnover intention within the Saudi Arabian banking industry. Extant studies on this relationship appear to have been confined to the operation of multinational companies (Sumelius, Björkman, Ehrnrooth, Mäkelä, & Smale, 2014). In fact, little is known about the reasons why employees leave their organisations in Saudi Arabia (Iqbal, 2010) since only limited HRM research on PA has been conducted in the Middle East (Budhwar & Mellahi, 2007). Because of its high turnover rate, the Saudi Arabian banking industry experiences high employee costs, diminished efficiency and reduced effectiveness (Aldhuwaihi, Shee, & Stanton, 2012). Yet few studies have examined the relationships between employee turnover and factors such as job satisfaction, reward and organisational commitment (Alasmari & Douglas, 2012; Ben-Bakr, Al-Shammari, Jefri, & Prasad, 1994; Bhuian & Al-Jabri, 1996; Iqbal, 2010; Jehanzeb, Rasheed, & Rasheed, 2013), and no previous study has specifically examined the relationship between perceived PA effectiveness and employee turnover intention in the banking industry.
1.8 SCOPE AND LIMITATIONS OF THE STUDY

This study contributes to the field of HRM by extending knowledge of PA effectiveness and its relationship with employee turnover intention in the Saudi banking industry. Its scope is limited to the banking/financial services sector and does not include other industries such as oil and gas, construction, insurance, medical or pharmaceuticals. In addition, data were only collected from male employees in the banking sector, since religious and cultural sensitivities prohibited the male researcher from communicating directly with female employees. Hence the findings cannot be generalised to all banking personnel in Saudi Arabia. A further limitation was that HRM is still in a developmental phase in Saudi Arabia, and Saudi Arabian management-related literature is therefore limited.

1.9 ORGANISATION OF THE THESIS

This chapter has identified an important gap in the research literature and explained the need for a deeper understanding of the relationship between perceived PA effectiveness and employee turnover intention in Saudi banking industry. Chapter 2 presents a review of relevant literature and explains the conceptual framework that underpinned the research question and hypothesis. Chapter 3 explains and justifies the research methodology and describes the methods of data collection and analysis that were applied. Chapter 4 presents the results of data analysis. Chapter 5 discusses the results in relation to the findings from previous research and presents the theoretical argument. The final chapter concludes the report and makes recommendations for future research.
CHAPTER 2 : CONCEPTUAL FRAMEWORK

2.1 INTRODUCTION

Employees’ perceptions of the effectiveness of Performance Appraisal (PA) have drawn the attention of numerous scholars, researchers and professionals. As a vital component of HRM activities perceived PA effectiveness had been linked to employee turnover intention. This suggests that increased turnover is associated with low levels of perceived PA effectiveness. This chapter elaborates the conceptual framework relating to the research question and hypothesis through a review of relevant literature. It discusses the functions of HRM and its relationship to performance management systems with an emphasis on perceived PA effectiveness. It also considers the issues of employee turnover and employee turnover intention. The critical indicators of perceived PA effectiveness and the factors that affect it are explored, with particular attention to their implications in the context of employee turnover intention in Saudi Arabia.

2.2 ENCOMPASSING HRM PRACTICES

As the management of people, HRM’s main functions are to: identify and recruit the best people; train and develop them, and motivate and retain the entirety of the organisation’s human resources. Some of these functions are linked to long-term strategies for overseeing and maintaining employee relations on the understanding that the effective use of human resources is critical in creating a competitive edge and ensuring the longevity of a business entity. This can be achieved by deploying an integrated set of service policies, instructions and practices (Bratton & Gold, 2003). These actions revolve around all management decisions and actions, which
have a direct impact on the people working in the organisations (Fisher, Schoenfeldt, & Shaw, 2004).

Business entities are moving beyond traditional domestic boundaries and now compete on a global scale to attain economic success. This new domain of business presents a challenge, and it is vital that they have a well-trained, well-equipped and well-prepared workforce—that is—human resources. This highlights the crucial importance of an organisation having appropriate and efficient human resource capabilities in order for it to thrive in a competitive market (Tomaka, 2001). According to Combs, Liu, Hall, and Ketchen (2006), the use of high-performance work practices help employees to adapt to technological advances while functioning in a dynamic environment. Organisations have to be able to adapt promptly to maintain high visibility in the business world.

Economists identify four key factors of production: land, labour, capital, and entrepreneurship. Except for labour, most business assets are classified as capital. From a human resources perspective, labour is a vital corporate asset in today’s high-functioning business entities. The returns from these assets take the form of skills, wisdom, knowledge and experience that boost the entity’s financial success. When the business meets the needs of its human resources, the human resources meet the needs of the business, through higher productivity, higher profit margins, higher returns, or maximising shareholders’ wealth (Schuler & Susan, 1996).

HRM practices and systems have been linked to increased productivity, high quality of work, high profitability, and organisational competitiveness (Cascio, 1992; Schuler & Susan, 1996; Vokić, 2015; Fratričová & Rudy, 2015; Singh, Burgess, & Heap, 2016; Saha, Gregar, & Sáha, 2017). In the global context, financial competitiveness involves securing a lucrative position in a changing market
environment (Pfeffer, 1994; Sels et al., 2017; Sparrow & Otaye-Ebede, 2017). HRM revolves around the human factor in business activity. The transactions between this human factor and the business entity are bounded by monetary and non-monetary compensations and benefits provided by the business entity, and the performance provided by the human factor. Considering people as a resource and utilising their unique potential to achieve a competitive advantage is one of the central themes of HRM. All the activities and functions of HRM, such as recruitment, training, compensation, performance management systems and PA, involve high investment from the organisation to ensure the desired level of performance in the long term.

The following section focuses on performance management and measurement.

2.3 PERFORMANCE MANAGEMENT SYSTEMS AND PERFORMANCE APPRAISAL

Performance has generally been defined as the execution of a specific course of action(s) to support successful accomplishment of pre-defined objectives while considering the time allocated, obstacles faced by the employee, and work conditions (Lebas, 1995, Anitha, 2014, Wang, Walumbwa, Wang, & Aryee, 2015; Sung, Bahron, & Husna, 2016). Performance has also been conceptualised by a comparison between actual results and benchmarks set as the expected results of the actions undertaken (Dess & Robinson, 1984; Anitha, 2014; Wang et al., 2015; Sung et al., 2016). Employees, of course, are not merely instruments to achieve certain outcomes; their behaviours are also the result of their own actions. The physical and mental energies that employees apply to tasks can be evaluated separately from outcomes (Brumbrach, 1988). Business entities adopt different approaches to measuring performance, that is, the input from their human resources. The capacity
to evaluate or appraise an employee’s performance is dependent on the ability to measure it objectively and accurately, which often proves difficult.

Performance management can be defined as a research instrument for impartially documenting the configuration and processes of employees’ performance (Lebas, 1995; Buckingham & Goodall, 2015; Arnaboldi, Lapsley, & Steccolini, 2015). The basic framework for performance management has been developed from published research and practical experience and addresses the five questions posed by Otley (1999).

It has been argued that particular attention should be paid to analysing the fundamental factors that influence the nature of any performance management system (Broadbent & Laughlin, 2009). In such a system, PA plays the most crucial role because performance management leads performance assessment and reveals its significance and applications (Lebas, 1995; Buckingham & Goodall, 2015; Arnaboldi et al., 2015). Ilgen and Feldman (1983) define PA as a process of interaction between three networking systems: organisational context, how the appraiser processes information, and the appraisee’s behavioural constructs. The characteristics of each construct enhance the ability of the appraisal process to produce an assessment of how employees behave and perform in an accurate, impartial and consistent manner (Ilgen & Feldman, 1983). Mayer and Davis (1999) found that employing a better PA system improved trust in senior executives; elements of trustworthiness such as ability, integrity and benevolence should, therefore, be considered in this context.

Both supervisors and employees must identify the vital link between PA and training and development (Barr & Associates, 1993). PA is a recognised instrument that organisations can use to facilitate the assessment of employee performance.
The ultimate objective of PA is to enable managers and their subordinates (employees) to continually develop and eliminate obstacles to job success (Bacal, 1999).

PA effectiveness is a tool used to examine how the personnel assessment system influences employees’ outputs (Cardy & Dobbins, 1994). According to Lee and Jimenez (2011), the concept of PA is based on Vroom’s (1964) expectancy theory, which proposes that an employee will provide his/her best level of performance when it is recognised adequately by the organisation, and when he/she receives good value in return. In other words, an effective PA system can have positive impacts on organisational behaviour, employee attitudes, organisational commitment and turnover. HRM practices are designed to shape the behaviour of employees and influence all kinds of performance and decision-making, taking into account skill, compensation, and recognition (Nawaz & Pangil, 2016). According to Javed et al. (2013), PA is widely recognised as the most influential HRM practice, and it affects other important HR practices such as training, compensation and career advancement.

The results that are derived from the PA process are used as a yardstick for management decisions about bonuses, other forms of compensation, promotions, training (Barr & Associates, 1993), and performance management and improvement (DeNisi & Pritchard, 2006; Murphy & Cleveland, 1995; Selvarajan & Cloninger, 2012). The findings of Poursafar, Rajaepour, Seyadat, and Oreizi (2014) are consistent with those of Getnet, Jabena, and Tsegaye (2014) in suggesting that business entities usually conduct PA with the intention of evaluating the performance of their workforce and providing appropriate incentives. It also serves to identify psychological factors among employees of relevance to the business
entity’s organisational goals, such as perceptions, preferences and beliefs (Getnet et al., 2014). Such knowledge can enhance the organisation’s relationship with its workforce, which in turn increases the workforce’s organisational commitment (Roberts, 2003).

The appraisal system has developmental and evaluative dimensions. The evaluative dimension aims to appraise workforce performance by comparing it to predetermined goals and targets. The developmental dimension aims to create, nurture and sustain experiences and skills that individuals or groups need in order to perform better. The evaluative dimension helps the business entity to identify the traits, experiences, and skills that need to be addressed in the developmental dimension. PA can identify strengths and weaknesses in order to both improve the performance of those employees who lag behind and inspire others to achieve even more (Boswell & Boudreau, 2002).

2.4 PERCEIVED PERFORMANCE APPRAISAL EFFECTIVENESS

In general, terms, perceived PA refers to employees’ perceptions about PA and its purposes and usages. The effectiveness of perceived PA depends not only on how employees are evaluated but also on how this mechanism improves their skills and performance and shapes their behaviour and psychological mindset (Boswell & Boudreau, 2002). Employees’ perceptions of PA and its outcomes strongly influence their performance and future actions, as PA directly affects their reward system and career progression opportunities (Javed et al., 2013). Available literature has examined the effectiveness of perceived PA, employee participation, the accuracy of performance dimensions, support from supervisors, the frequency of appraisal, procedural justice, and fairness (Keeping & Levy, 2000). The construct of perceived
PA effectiveness has also been investigated in relation to six common elements of PA: goals, criteria, standards, sources, feedback and frequency (Mustapha & Daud, 2012). These six factors, which are the independent variables in the present study, are elaborated below.

2.4.1 Goals of Performance Appraisal

There are four sets of goals in PA: between employees, within employees, preservation of the system, and record management (Cleveland, Murphy, & Williams, 1989). Between-employee goals refer to executive purposes in relation to the acknowledgement of employees’ performance in decision-making about such matters as compensation management, layoffs, promotions, retention and termination. Within-employee uses are employed in Management by Objectives (MBO); they include feedback on performance strengths and weaknesses to identify training needs, appropriate projects and transfers. PA supports organisational goals by helping with system preservation. In relation to record management purposes, documenting PA outcomes helps to meet legal requirements and inform research on the effectiveness of PA tools.

Some organisations endeavour to pursue all of these forms using techniques designed for each type of usage (Wiese, Buckley, & Price, 1998). Jawahar and Williams (1997) suggest that rankings are best collected for administrative purposes rather than for research or promotion purposes. Though ranking scales are useful for training and other technical purposes, the value of PA is strongly influenced by the executive context in which it is used (Murphy & Cleveland, 1995). Active managers recognise the PA system as a tool for management, rather than a tool for evaluating juniors. Such managers implement PA to inspire, instruct and improve juniors in order to enhance their contribution to organisational efficiency.
2.4.2 Criteria Linked to Performance Appraisal

Performance criteria for employees are the variables upon which ratings of performance are obtained. These include organisational, interpersonal, communication, technical and time management skills; physical and intellectual abilities; and specific behaviours that are enacted in response to a particular condition or incentive. To define a sufficient number of performance criteria, organisations are advised to consider at least three to five such factors (Grant, 1955, as cited in Mustapha & Daud, 2012). To be effective, PA requires clearly stated performance criteria (DeNisi & Pritchard, 2006, as cited in Phin, 2015), and adequate notice, explaining the ideas and principles to employees, prior to the real appraisal. Criteria should not be solely defined by management but should also include input from employees via feedback during the development of performance standards. Why and how objectives should be met must be clearly communicated to employees, and they should be allowed to question the process (Phin, 2015).

2.4.3 Standards of Performance Appraisal

Standards refer to measures of quality. PA standards are set according to a predetermined rating scale and target against which the performance of the employee is rated by the rater; for the process to be active, both the rater and the ratee must accept these standards, targets and scales (Bobko & Colella, 1994). Standards should be expressed in measurable terms and identify performance indicators. PA standards should also be compatible with the organisation's goals, not be too narrow or too broad, and logically reflect organisational goals and objectives (Griffin, 2005).
2.4.4 Sources of Performance Appraisal

There are various sources of appraisal of an employee's actual performance. In most organisations, the source of appraisal is the immediate boss or reporting boss who best knows the strengths and weaknesses of the employees. The use of a single-source, however, potentially produces biased results. Nowadays, organisations are structured in a variety of ways, such as matrix, tall, or flat. These multiple structures can provide a stronger foundation for their PA (Fletcher & Baldry, 2000; Costigan et al., 2005). Use of multiple raters is one of the ingredients of effective PA. It is logical to assume that more raters will provide more information and increase the accuracy of the information obtained. The direct superintendent, directors, assessment boards, self-ratings, and assistants are potential sources of appraisal (Byrne, 1993; McCarthy & Garavan, 2001; Ebrahim, Van Der Meer, Gennard, & William, 2004). Some organisations use an employee's customers, vendors or other external stakeholders as appraisal sources.

2.4.5 Feedback from Performance Appraisal

PA is a continuous process in which employees’ weaknesses and shortcomings are measured, and feedback is provided to them by managers who, together with employees, make a plan for the latter’s development. Use of feedback to improve performance was found to reduce employee turnover and increase feelings of impartiality amongst employees while linking performance with rewards reduced employee stress (Dobbins, Cardy, & Platz-Vieno, 1990; Teratanavat, Raitano, & Kleiner, 2006). When employees sense that executive feedback is focused on supporting them, their commitment to the organisation is boosted. Employees who receive sound, well-timed performance feedback on a regular basis are more
dedicated than employees who receive less feedback (Bekele, Shigutu, & Tensay, 2014).

2.4.6 Frequency of Performance Appraisal

The frequency of PA is the rate at which or how often PA occurs over a particular period of time, primarily throughout a year. PA is an ongoing activity that every organisation performs on a yearly (Freemantle, 1994; Ebrahim, 2003, as cited in Mustapha & Daud, 2013), half-yearly or quarterly basis.

Traditionally, most organisations conduct PA every 6 to 12 months, but many employees express dissatisfaction with the feedback from less frequent evaluations. Though there is controversy over the appropriate frequency of PA, employees are unhappy (Geetha, 2013) and express surprise (Boice & Kleiner, 1997) when they only receive annual reviews. The solution is regular feedback from superiors or annual feedback with periodic (monthly/quarterly) appraisals, perhaps every 6 – 8 weeks (Mustapha & Daud, 2013). Timely, focused PA motivates employees to demonstrate top performance. An annual appraisal generally fulfils the general purpose of PA, but both employees and supervisors are unlikely to remember everything that happened throughout the year (Mustapha & Daud, 2013). More frequent feedback is perceived as fairer (Parkes, 2011). Recent research conducted by Windust (2015), however, shows that more frequent (weekly) feedback overloads employees and reduces performance. Therefore, more feedback does not always help to drive better performance.

2.5 EMPLOYEE TURNOVER

Today, continuous changes in the business world shape HRM functions. As a result of globalisation, many companies are unable to retain their employees over a
long period, for a variety of reasons (Davenport & Prusak, 1998). This movement from one organisation to another is known as employee switching or turnover (Hom & Griffeth, 1995), which refers to the percentage of employees departing an organisation within a particular period of time, but before the end of their agreed service (Loquercio, Hammersley, & Emmens, 2006). According to Zed Ayesh, managing director of Flagship Consultancy, employee turnover presents a major challenge in every emerging economy, although its costs cannot be determined because they can neither be directly documented in profit and loss statements nor described at the end of the financial year (Anonymous, 2008, as cited in Iqbal, 2010).

Employee turnover can be voluntary (intentional) or involuntary (unintentional). Intentional turnovers are the result of employees’ choices for personal betterment, while unintentional turnovers are instigated by a management decision from the organisation (e.g. dismissal or discharge). In general, voluntary turnovers are informal resignations, not formally initiated by employers (Loquercio et al., 2006). Retaining top performers is critical not only for long-term success but also at times for survival in the short term.

The monetary costs of turnover can be considerable; one technology company calculated turnover costs at an average $200,000 per employee (Iqbal, 2010). A pharmaceutical giant, Merck & Co., projected turnover costs between 150% and 250% of the employee’s annual salary (Mello, 2011). The U.S. Department of Labour estimates that the cost of an existing employee equates to about 33% of a new employee’s salary (Shri, 2010). In the Middle East, the cost of turnover per worker is approximately Dhs15,180 annually; given a turnover rate of 21% (approximately 657,930 workers) in a workforce of 3,113,000, this equates to an
annual cost to business of Dhs9.9 billion (US$2.7 billion). For an average business of 12 workers, the annual turnover cost is approximately Dhs38,250, or $10,400 (Anonymous, 2008 as cited in Iqbal, 2010).

Retaining top performers in the organisation has become a significant challenge for managers. Researchers are also engaged in identifying the reasons behind high turnover, and ways to keep highly skilled employees motivated and committed to performing better in the long term (Nawaz & Pangil, 2016). Inadequate HRM practices have been identified as one of the main reasons for high employee turnover. Among these practices, PA is a powerful tool for motivating employees to remain with the organisation (Mustapha & Daud, 2012). Organisations that experience high employee turnover can benefit from examining their PA processes to ensure that mutual expectations are clearly communicated through PA meetings (Harrington & Lee, 2015; Nawaz & Pangil, 2016). More than 1,500 academic research projects have been conducted to identify the causes of employee turnover, and to consider the impact of turnover; however, more research is needed as employee turnover is still a major issue for scholars and practitioners (Raihan, 2012). According to previous research findings, HRM practices are the main factors impacting on the intention of employees to leave the company (Mustapha & Daud, 2012).

Interestingly, employee turnover rates have been one of the most critical performance indicators for HRM divisions in a wide range of organisations (Iqbal, 2010). Research examining the influence of HRM practices on employee turnover supports the view that there is a close interaction between these two phenomena (Batt & Valcour, 2003; Haines, Jalette, & Larose, 2010; Huselid, 1995; Javed et al.,
2.5.1 Employee Turnover Intention

Turnover intention is an inseparable aspect of voluntary switching. The turnover intention has been defined as the probable intent of employees to quit the organisation and a contributing factor in actual turnover (Kaur, Mohindru, & Pankaj, 2013). According to Oluwafemi (2013), turnover intention relates to the relative strength of an employee’s drive or determination towards intentional, enduring removal (resignation) from an organisation. As the dependent variable in this study, the turnover intention is based on antecedents, which include quality of work-life, pressure, happiness, impartiality and commitment of the employee. In order to reduce turnover intention, organisations are using innovative strategies to improve employee performance and competence (Kaur et al., 2013). An organisation trying to reduce turnover intention, particularly among its top performing employees, can improve the overall health and success of the business, even though the turnover intention may not culminate in actual turnover (Jung, 2014).

2.5.2 Employee Turnover in Saudi Arabia

Statistics worldwide indicate that the problem of high employee turnover will become more significant in this decade across developed and developing countries (Nawaz & Pangil, 2016). In the case of Saudi Arabia, employee turnover has been identified as an emerging research agenda due to the large numbers of employees moving from one organisation to another (Ben-Bakr et al., 1994; Iqbal, 2010). Significantly in the present context, the banking industry of Saudi Arabia has been identified as having high employee turnover, although research in this industry is
limited (Aldhuwaihi et al., 2012). Loquercio et al. (2006) estimated that, in financial terms alone, the turnover cost for a manager in a humanitarian agency was six months’ salary or more. Employees willingly quit organisations for diverse motives, including deep discontent with their work, unhappiness with the company, restricted promotion and progression prospects, better opportunities elsewhere, and dissatisfaction with organisational fluctuations or rearrangements.

2.5.3 Factors Influencing Employee Turnover Intention in Saudi Arabia

Researchers in Saudi Arabia identified several reasons for employee turnover or intention to switch. These were a reduced quality of work, and demographic differences in commitment (Almalki, FitzGerald, & Clark, 2012; Jehanzeb et al., 2013; Al-Ahmadi, 2009). Dissatisfaction in the workplace has also been suggested (Ben-Bakr et al., 1994). Personnel in public organisations are willing to leave if they do not perceive any future growth or reward.

Performance measurement systems play a role in the development of turnover intention (Waeyenberg, Decramer, Desmidt, & Audenaert, 2017). Numerous studies have examined job satisfaction and organisational commitment as antecedent factors in employee turnover intention (Alasmari & Douglas, 2012; Allen & Shanock, 2013; Alsaraireh, Quinn Griffin, Ziehm, & Fitzpatrick, 2014; Fabi, Lacoursière, & Raymond, 2015; Jehanzeb et al., 2013; Koys, 2001; Mobley, 1977; Park, Choi, & Ryu, 2015; Tnay, Othman, Siong, & Lim, 2013; Wong & Laschinger, 2015). Attitudes related to organisational commitment, or the loyalty of an employee to his or her organisation, are also strongly associated with turnover (Dunham, Grube, & Castaneda, 1994; Somers, 1995). The institutional obligation is perceived as highly undesirable and is associated with turnover intention and actual turnover (Addae, Parboteeah, & Davis, 2006; Lacity, Iyer, & Rudramuniyaiah, 2008).
2.6 PERCEIVED PERFORMANCE APPRAISAL EFFECTIVENESS AND TURNOVER INTENTION

Studies have found that PA is significantly associated with organisational commitment, that is, the individual’s psychological attachment to an organisation determines whether s/he will stay with the organisation, and is negatively associated with employee turnover (Shahnawaz & Juyal, 2006; Kumar & Krishnaveni, 2008; Farndale, Hope Hailey, & Kelliher, 2011; Yasemin, Serdar, & Esin, 2014; Bekele et al., 2014). Harrington and Lee (2015) argue that an impartial and active PA is a dynamic instrument for organisations and employees that can improve retention and reduce turnover intention. Mowday et al. (2013), however, argue that greater emphasis should be given to examining the turnover decision processes of employees rather than focusing exclusively on the antecedents.

It is vital that the PA instrument is legal, dependable, free of prejudice, hands-on, and suitable for the user. When employees play a significant part in the development of the assessment procedure, their approval of and satisfaction with that method are increased (Roberts, 2003). Gichuhi, Abaja, and Ochieng (2013) established that efficiency is strongly related to PA’s benchmarks, frequency and feedback system. PA has also been shown to have a close connection to promotion, rewards, bonuses and increments (Horsoo, 2009; Femi, 2013; Salleh, Amin, Muda, & Halim, 2013) since perceived impartiality of PA has a positive effect on employees’ satisfaction and, therefore, level of organisational commitment.

2.7 THEORETICAL CONTRIBUTION AND RESEARCH GAP

Researchers have analysed the relationship between organisational commitment, job satisfaction, rewards and employee turnover (Achoui & Mansour, 2007; Ben-
Bakr et al., 1994; Jehanzeb et al., 2013). To the best of our knowledge, however, the influence of perceived PA effectiveness on employee turnover intention has not been examined in the Saudi Arabian context. To address this gap, this project focused on employee turnover intention. The study examined the relationship between perceived PA effectiveness and employee turnover intention and the underlying PA-related factors responsible for high employee turnover in the Saudi banking industry. The findings were expected to inform efforts to minimise the high employee turnover rate in Saudi banks.

The PA procedure has been investigated in relation to several determining factors (elements, associations, and attitudes), but only in the context of the operation of multi-national companies (Sumelius et al., 2014). The majority of employers in Saudi Arabia have no information about why employees leave their organisations (Iqbal, 2010) as there has been very little HRM research in that part of the world (Budhwar & Mellahi, 2007). There has been a high turnover rate in the Saudi Arabian banking industry for a long time (Aldhuwaihi et al., 2012). A few studies have examined the relationships between employee turnover and other factors, such as job satisfaction, reward and organisational commitment, to identify the reasons for high turnover (Alasmari & Douglas, 2012; Ben-Bakr et al., 1994; Bhuian & Al-Jabri, 1996; Iqbal, 2010; Jehanzeb et al., 2013). To date, however, no study has examined the relationship between perceived PA effectiveness and employee turnover intention in the Saudi banking industry.

2.8 DEVELOPMENT OF CONCEPTUAL FRAMEWORK

Based on the review of literature presented above, this project employed a conceptual framework of the relationship between perceived PA effectiveness and
employee turnover intention for the Saudi Arabian banking industry (Figure 2.1). The construct of perceived PA effectiveness that was adopted drew on the six common elements of perceived PA effectiveness developed by Mustapha and Daud (2012): goals, criteria, standard measurement, sources, feedback and frequency. Each of these should be assessed in an evaluation of the effectiveness of PA to successfully identify top performers and keep them motivated and committed to the organisation and to provide feedback on existing PA processes (Mustapha & Daud, 2012; Mustapha & Daud, 2013).

![Conceptual framework of perceived performance appraisal effectiveness and employee turnover intention](image)

*Figure 2.1 Conceptual framework of perceived performance appraisal effectiveness and employee turnover intention (adapted from Mustapha & Daud, 2012)*

Based on this framework, the following research question (RQ) was formulated:

**RQ How does perceived performance appraisal effectiveness influence employee turnover intention in the Saudi banking industry?**

The following section elaborates the hypothesis developed from this question.

### 2.9 HYPOTHESIS

The hypothesis was based on previous research showing that perceived PA effectiveness was negatively correlated with employee turnover intention. For
instance, Poon (2004) found that perceptions of PA among Malaysian administrative employees could significantly predict the rate of turnover intention. Another recent study by Arshad, Masood, and Amin (2013) reported that the application of political criteria in PA caused increased turnover intention in a telecommunication organisation in Pakistan.

As mentioned above, Mustapha and Daud (2012) identified six major constructs of PA: goals, criteria, standards, sources, feedback and frequency. These constructs are used to examine the effectiveness of PA, and employees also consider them when they participate in the PA system. Since the PA system influences employees’ performance and shapes their behaviour and psychological mindset (Boswell & Boudreau, 2002), job fulfilment and obligation are fundamentally interrelated (Kaur et al., 2013). Mustapha and Daud (2012) argue that there has been insufficient research on the connection between perceived PA effectiveness and employee turnover intention.

Therefore, the present study tested the following hypothesis, which aligns with the previously described conceptual framework, to answer the central research question:

\[ H_1 \text{ There is a relationship between perceived performance appraisal effectiveness (goals, criteria, standards, source, feedback, and frequency) and employee turnover intention.}\]

2.10 CONCLUSION

A body of research and scholarship agrees that the PA instrument plays a crucial role in employees’ turnover intention. The goals, criteria, standards, sources, feedback and frequency of PA are the main constructs that shape the perception of the effectiveness of a particular PA system. Negative perceptions of the effectiveness
of PA may lead to employee turnover, which in turn produces financial, structural and social losses for the organisation. HRM functions have only recently been introduced in Saudi Arabia, where employee turnover is a serious problem for businesses. The present study analysed the relationship between perceived PA effectiveness and employee turnover intention in the context of the Saudi Arabian banking industry. The following chapter presents the research methodology.
CHAPTER 3 : RESEARCH METHODOLOGY

3.1 INTRODUCTION

As discussed in Chapter 2, the current literature suggests that one of the most important reasons for high employee turnover is the inadequate implementation of HRM practices. As a HRM practice, Performance Appraisal (PA) plays a substantial role in influencing turnover intention of employees (Mustapha & Daud, 2012). Therefore, the present study examined the relationship between perceived PA effectiveness and employee turnover intention. This chapter summarises the study aims and research question. It explains the study design and describes the methods of data collection and analysis. It also discusses the process used to translate the study instruments and how ethical issues were addressed. The content of the chapter is summarised in a concluding section.

3.2 RESEARCH AIMS

The main aim of the present study was to examine the relationship between perceived PA effectiveness and employee turnover intention in the Saudi banking industry. The findings are expected to assist Saudi banks to better manage their high employee turnover rate.

The second aim was to validate the six perceived PA effectiveness components identified by Mustapha and Daud (2012). The construct of perceived PA effectiveness is composed of goals, criteria, standard measurement, sources, feedback and frequency. The study examined the strength of the relationship between each of these perceived PA effectiveness components and employee turnover intention in the Saudi banking industry. To achieve these aims, the following research question was developed.
3.3 RESEARCH QUESTION

RQ How does perceived performance appraisal effectiveness influence employee turnover intention in the Saudi Banking Industry?

In summary, the main aim of this study was to provide evidence to support the hypothesis that perceived PA effectiveness could affect employees’ intention to leave their position in the Saudi banking industry. The following sections describe the methods of data collection and analysis that were used to address the study aims.

3.4 DATA COLLECTION

The nature of the research question directed this investigation towards a quantitative methodology. This section explains the research design, sampling strategy and measures that were employed in data collection.

3.4.1 Research Design

The general manner in which a study responds to the main research question is referred to as research design (Saunders, Lewis, & Thornhill, 2009). The research design helps the investigator to turn the research question into a research project (Robson, 2002). It comprises three main elements: the strategy of the study, the choice of data collection techniques and data analysis procedures, and the research timeframe. Potential research strategies include action research, grounded theory, case studies, experimental approaches, surveys, and archival research. The selection of a suitable research strategy depends on the research question, the purpose of the study, the time and resources available, and the current status of knowledge related to the topic (Saunders et al., 2009). Research that seeks to explain the relationship between variables by exploring an issue or circumstance is called explanatory
research (Saunders et al., 2009). Given the main aim of the current project, it can be said that this is an explanatory study.

The nature of the research question (i.e. the relationship between variables) suggests that survey methodology would be appropriate in this instance. The survey strategy allows the researcher to collect a large number of records amongst a sizable population at low cost (Saunders et al., 2009). It is a widely used method in the business and management field and is the most common procedure employed in explanatory studies that seek answers to ‘WH-questions’: what, how, where, who and why (Saunders et al., 2009). A survey strategy involves a deductive approach and employs a questionnaire to collect quantitative data (Saunders et al., 2009). Its appropriateness for the present study is explained below.

The role of PA as an HRM practice has been investigated since its inception (Agarwal & Mehta, 2014; Arshad et al., 2013; Harrington & Lee, 2015; Keeping & Levy, 2000; Nawaz & Pangil, 2016; Poon, 2004). Employee turnover has also been examined in various contexts in several countries (Achoui & Mansour, 2007; Arshad, et al., 2013; Ben-Bakr et al., 1994; Javed et al., 2013; Kim, Song, & Lee, 2016; Peltokorpi, Allen, & Froese, 2015; Price, 1977; Raihan, 2012; Shahnawaz & Goswami, 2012; Wong & Laschinger, 2015).

Most such studies of employee turnover and the components of PA that influence turnover intention have employed quantitative methodology within a post-positivist research philosophy (Agarwal & Mehta, 2014; Arshad et al., 2013; Mustapha & Daud, 2012; Nawaz & Pangil, 2016; Poon, 2004). This approach provides a ‘big picture’ or overview of the relationship between the variables (Ryan, 2006). In contrast, qualitative methodology (Ellett, Ellis, & Westbrook, 2007; Yang, Wan, &
and mixed-methods research (Cotton & Tuttle, 1986; Marsh & Mannari, 1977) have been used to identify the reasons for employee turnover.

Quantitative research methods have been widely used in studies of employee turnover in the Saudi context (Achoui & Mansour, 2007; Alasmari & Douglas, 2012; Ben-Bakr et al., 1994; Iqbal, 2010; Jehanzeb, Rasheed & Rasheed, 2012). Accordingly, the present study adopted this research approach and philosophy to collect quantitative survey data in the Saudi banking industry. The sampling strategy is described in the following section.

### 3.4.2 Sampling Method

The study population included all 12 banks in Saudi Arabia. These banks fall into three broad categories: Islamic Local Banks (ILBs), Non-Islamic Local Banks (NILBs) and Non-Islamic Partially-Owned Foreign Banks (NIPOFBs) (Aldhuwaihi, 2013). Data were collected from all three categories. According to the Saudi Arabian Monetary Agency’s annual report (SAMA, 2016), the banking sector employs a total of 49,563 people (43,307 males and 6,256 females). This represents a male: female ratio of 7:1.

The questionnaire was administrated only to male bank employees since there are religious and cultural prohibitions on male communication with female employees. Therefore, the study sample comprised male employees who work in the Saudi banking industry in Riyadh, the capital of Saudi Arabia. Approximately 30% of banking sector employees work in branches in Riyadh (SAMA, 2016). Around 87% of all male employees, or 12,934 men, regularly work in Riyadh. Of these, approximately 40% (4,991) work in ILBs, 33% (4,352) work in NILBs, and 27% (3,591) work in NIPOFBs (SAMA, 2016). Table 3.1 shows the most recently
available data on employee numbers in the Saudi banking industry and the estimated number of male employees and branches in Riyadh province.

Table 3.1 Estimated Numbers of Saudi Bank Branches and Employees

<table>
<thead>
<tr>
<th>Bank Name</th>
<th>Number of Branches</th>
<th>Number of Employees</th>
<th>Number of Employees in Riyadh (Male)</th>
<th>Number of Branches in Riyadh</th>
<th>Average Number of Employees Per Branch</th>
</tr>
</thead>
<tbody>
<tr>
<td>Islamic Local Banks (ILBs)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Al-Rajhi Bank</td>
<td>467</td>
<td>11356</td>
<td>2964</td>
<td>140</td>
<td>21</td>
</tr>
<tr>
<td>Bank Al-Jazira</td>
<td>54</td>
<td>2978</td>
<td>777</td>
<td>16</td>
<td>48</td>
</tr>
<tr>
<td>Bank Albilad</td>
<td>88</td>
<td>3040</td>
<td>793</td>
<td>26</td>
<td>30</td>
</tr>
<tr>
<td>Alinma Bank</td>
<td>49</td>
<td>1752</td>
<td>457</td>
<td>15</td>
<td>31</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>658</strong></td>
<td><strong>19126</strong></td>
<td><strong>4991</strong></td>
<td><strong>197</strong></td>
<td><strong>25</strong></td>
</tr>
<tr>
<td>Non-Islamic Local Banks (NILBs)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The National Commercial Bank</td>
<td>284</td>
<td>5779</td>
<td>1508</td>
<td>85</td>
<td>18</td>
</tr>
<tr>
<td>Riyadh Bank</td>
<td>252</td>
<td>5434</td>
<td>1418</td>
<td>76</td>
<td>19</td>
</tr>
<tr>
<td>Saudi Investment Bank</td>
<td>48</td>
<td>2035</td>
<td>531</td>
<td>14</td>
<td>37</td>
</tr>
<tr>
<td>Samba Financial Group</td>
<td>72</td>
<td>3429</td>
<td>895</td>
<td>22</td>
<td>41</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>656</strong></td>
<td><strong>16677</strong></td>
<td><strong>4352</strong></td>
<td><strong>197</strong></td>
<td><strong>22</strong></td>
</tr>
<tr>
<td>Non-Islamic Partially-Owned Foreign Banks (NIPOFBs)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Saudi Hollandi bank</td>
<td>45</td>
<td>2821</td>
<td>736</td>
<td>14</td>
<td>53</td>
</tr>
<tr>
<td>The Arab National Bank</td>
<td>145</td>
<td>4430</td>
<td>1156</td>
<td>44</td>
<td>27</td>
</tr>
<tr>
<td>Saudi Arabia British Bank (SABB)</td>
<td>79</td>
<td>3532</td>
<td>922</td>
<td>24</td>
<td>39</td>
</tr>
<tr>
<td>Banque Saudi Fransi</td>
<td>86</td>
<td>2977</td>
<td>777</td>
<td>26</td>
<td>30</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>355</strong></td>
<td><strong>13760</strong></td>
<td><strong>3591</strong></td>
<td><strong>108</strong></td>
<td><strong>34</strong></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1669</strong></td>
<td><strong>49563</strong></td>
<td><strong>12934</strong></td>
<td><strong>502</strong></td>
<td><strong>26</strong></td>
</tr>
</tbody>
</table>

Sources: (Aldhuwaihi, 2013; SAMA, 2016)

Given the size of the target population and the limited resources available to the researcher, a representative sample needed to be selected. The process used to determine the appropriate sample size is described below.
A minimum sample size of 200 is recommended (Barlett, Kotrlik, & Higgins, 2001). This figure was estimated according to the significant amount of correlation with \( T = 2.58 \) and with a continuous variable that has the margin of error \( 0.03 \) with regard to the total number of the study population (12,934 people). Comrey and Lee (1992) suggest that a minimum sample size of 100 is required for the results to be rationally consistent, but they recommend 200 as more suitable. The majority of researchers suggest that a sample size of 200, or 10 or five cases per parameter (Kline, 2015), is sufficient. Hence the present study targeted a sample of at least 200.

A representative sample was selected using a probability sampling technique (Cochran, 1977). The study population was geographically dispersed throughout Riyadh city in the banks’ regional head offices and branches. Face-to-face contact with employees, however, was necessary to administer the questionnaire. Therefore, the multistage cluster sampling method (Saunders et al., 2009) was identified as the most suitable strategy. The first step in this approach was to randomly select a cluster of the Saudi banking industry. In this stage, one bank in each category was selected by simple random sampling from the three bank categories shown in Table 3.2. Next, the North region of Riyadh was randomly selected from the geographical regions of Riyadh. In the third stage, the sampling unit was the bank’s branches; from a complete list of branches in the targeted region, simple random sampling was used to select the appropriate number of branches according to the proportion of that bank in the category.

Data collection took place from October 1 to November 15, 2017. 300 questionnaires were distributed to employees working in the targeted banks—that is, 100 more than the required number to allow for a lower return rate. A total of 201
completed questionnaires were returned from the sampled bank branches. Table 3.2 shows the numbers of completed questionnaires by bank category.

Table 3.2 Distributed and Completed Questionnaires by Selected Bank Branches in Riyadh

<table>
<thead>
<tr>
<th>Bank Name</th>
<th>Number of Employees in Riyadh (Male)</th>
<th>Number of Branches in Riyadh</th>
<th>Average Number of Employees Per Branch</th>
<th>Number of Branches in the Sample</th>
<th>Number of Distributed Questionnaires</th>
<th>Number of Returned Questionnaires</th>
</tr>
</thead>
<tbody>
<tr>
<td>Al-Rajhi Bank</td>
<td>2964</td>
<td>140</td>
<td>21</td>
<td>6</td>
<td>120</td>
<td>81</td>
</tr>
<tr>
<td>Riyadh Bank</td>
<td>1418</td>
<td>76</td>
<td>19</td>
<td>6</td>
<td>99</td>
<td>66</td>
</tr>
<tr>
<td>Saudi Arabia British Bank (SABB)</td>
<td>922</td>
<td>24</td>
<td>39</td>
<td>3</td>
<td>81</td>
<td>54</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5304</strong></td>
<td><strong>240</strong></td>
<td><strong>26</strong></td>
<td><strong>15</strong></td>
<td><strong>300</strong></td>
<td><strong>201</strong></td>
</tr>
</tbody>
</table>

The relatively high return ratio of 67% can likely be attributed to the fact that the researcher enhanced employees’ willingness to participate through face-to-face communication of the importance of the research, which was reinforced by a comprehensive cover letter provided with the questionnaire. The number of completed questionnaires comprised 81 from Al-Rajhi Bank, 66 from Riyadh Bank and 54 from Saudi Arabia British Bank (SABB). The following section describes the data collection instrument.
3.4.3 Research Instrument

The data collection instrument was a validated questionnaire that had previously been used in a survey on perceived PA effectiveness and employee turnover intention (Mustapha & Daud, 2012; Aldhuwaihi, 2013). After ethical approval for the project was granted, a pilot study was conducted to ensure that the measurement instrument was appropriate (Groves, 1989). The questionnaire was administered to 15 bank employees in Saudi Arabia to identify any vague or unclear items. The results indicated that the questionnaire statements were clear and were understood by employees. The face-sheet data items and measurement scales are described below.

3.4.3.1 Demographic Data

Employees' demographic data (age, marital status, nationality and educational level) were collected via open-ended questions to allow comparison of the sample with the population of bank employees (Duncan, 2008). Other items sought information on organisational characteristics, such as job experience history and position title in the current bank (Appendix 1, Part A). The descriptive results of the demographic profile of the sample are presented in Chapter 4.

3.4.3.2 Scale 1: Perceived Performance Appraisal Effectiveness Questionnaire

The study used the instrument developed by Mustapha and Daud (2012) to measure perceived PA effectiveness in Malaysia. This measure assesses six components: goals, criteria, standard, sources, feedback and frequency of PA (see Figure 2.1). The most recent version of the perceived PA effectiveness scale has a total of 32 items; each assessed using a seven-point Likert scale (Appendix 1, Part B). The PA Goals subscale has six items, which measure the goals of PA in the bank (Mustapha & Daud, 2012). For example: “Performance appraisal in my bank establishes and clarifies work goals and objectives”. The PA Criteria subscale has six
items, which measure the criteria that have been used to assess the employee’s performance. For example: “The criteria for performance appraisal are linked to the key outcomes of the bank”. The PA Standards has four items, which ask about the standard method of measuring employee performance across the bank. For example: “To measure performance, the measurement or rating scale is reliable in my bank”. The PA Sources also has six items. For example: “My appraiser is familiar with all phases of my work”. This subscale measures the various sources used and the creditability of the appraiser to assess employee functioning. The PA Feedback subscale has seven items that are related to the output of PA. For example: “I felt satisfied with the feedback interview appraisal”. The PA Frequency subscale has three items related to the frequency and quality of PA in the bank. For example: “Discussion and review of my performance is a continuous process, not one that occurs only during my formal performance appraisal”.

The perceived PA effectiveness questionnaire is a reliable instrument. Mustapha and Daud (2012) report the following Cronbach’s alpha coefficients for each subscale: goals with 7 items (α = 0.91), criteria with 7 items (α = 0.84), standard with 6 items (α = 0.78), sources with 5 items (α = 0.84), feedback with 5 items (α = 0.95) and frequency with 5 items (α = 0.89). In the current study, however, the validity of the questionnaire was measured using Confirmatory Factor Analysis (CFA), as described in Chapter 4. The reliability of the perceived PA effectiveness subscales was assessed after the questionnaire was adapted for use in the Saudi Arabian banking industry, as shown in Table 3.3.
As can be seen, the Cronbach’s alpha coefficients of the subscales ranged from 0.73 to 0.94, which is higher than the acceptable threshold of 0.6 for a reliability coefficient (Nunnally, 1978; Nunnally & Bernstein, 1994). The goals subscale has six statements with a mean of ($m=25.46$, $SD = 8.10$) and Cronbach’s alpha ($\alpha = 0.91$), indicating a high level of consistency between items. The criteria subscale has six items with a mean of ($m=25.44$, $SD = 7.88$) and Cronbach’s alpha ($\alpha = 0.89$), indicating perfect consistency among the scale items. Standards have four statements with a mean of ($m=16.34$, $SD = 6.3$) and Cronbach’s alpha ($\alpha = 0.92$), showing excellent consistency among the statements. Sources have six items with a mean of ($m=24.18$, $SD = 6.69$) and Cronbach’s alpha ($\alpha = 0.73$), indicating sufficient consistency. Feedback comprises seven statements with ($m=27.36$, $SD = 10.33$) and Cronbach’s alpha ($\alpha = 0.94$), indicating perfect consistency. The frequency subscale with three statements has a mean of ($m=11.20$, $SD = 4.53$) and Cronbach’s alpha ($\alpha = 0.86$), which indicates adequate consistency. Overall, the six dimensions of perceived PA effectiveness are reliably measured in the questionnaire for the Saudi banking industry.
3.4.3.3 Scale 2: Employee Turnover Intention Questionnaire

Employee turnover intention was measured using the instrument developed by Crossley, Grauer, Lin, and Stanton (2002). Their scale has been adapted for the Saudi banking industry by Aldhuwaihi (2013). The employee turnover intention questionnaire originally had five items, assessed using a five-point Likert response scale. In the present study, participants responded on a seven-point Likert scale (from 1 = strongly disagree to 7 = strongly agree). The change was made to maintain consistency with the perceived PA effectiveness instrument, and research has shown that validity and reliability are higher with a seven-point Likert scale compared to a marking scale with fewer points (Preston & Colman, 2000). The following sample of the five items was used in the current study: “I intend to leave the bank soon”. Because Asian culture emphasises striving to maintain balance and avoid conflict (Gelfand et al., 2001), this study added an item assessing intention to stay as well as the intention to quit. The item was taken from the questionnaire used by Tsui, Egan, and O Reilly (1992): “I intend to continue working in the bank” (reverse scored) (Appendix 1, Part C).

The validity of the scale was tested using Exploratory Factor Analysis (EFA) and CFA. The results showed that all five items loaded on one construct (Aldhuwaihi, 2013). The reliability of the employee turnover intention scale was tested using Cronbach’s alpha coefficient (α = 0.91), and shown to be a reliable scale to measure employee turnover intention in the Saudi banking industry (Aldhuwaihi, 2013). In the current study, the employee turnover intention scale had a mean (m=27.15, SD = 10.40) and Cronbach’s alpha (α = 0.95), which indicates a very high level of item consistency. It is therefore considered a reliable instrument to assess employee turnover intention in the Saudi banking industry.
3.5 DATA ANALYSIS

To be meaningful to a reader, raw data need to be processed and turned into information in the form of tables and statistics (Saunders et al., 2009). Before the data can be processed, a screening procedure was undertaken to verify the data. This data screening method involved monitoring data for errors, checking missing data, treating missing data and inspecting for outliers. After verification, the data were ready for analysis.

The first step was to summarise the demographic information and the variables of perceived PA effectiveness and employee turnover intention by frequency, percent, means, and standard deviation. The next step was to validate the measurement instrument and adapt it to a different cultural context from that in which it was developed. As a result of this adaptation, the validity of the instrument, particularly the perceived PA effectiveness scale, needed to be calculated. To calculate psychometric features of perceived PA effectiveness, CFA was used to test the construct validity of perceived PA effectiveness. Verification of the factor structure of a set of observed variables can be performed using a statistical procedure known as CFA (Hair, Black, Balin, & Anderson, 1998). This technique examines the relationship between the existing latent construct and its observed indicator. CFA assists the researcher to examine the structural model statistically according to the conceptual model, previous results of the research, or both. Tryfos (1996) advises using CFA when there is a need to examine the number of items that are correlated with a basic factor. The most widely-used methods for deducting the items and uncovering the psychometric features of the questionnaire are CFA and EFA (Floyd & Widaman, 1995).
Next, to answer the research question and test the research hypothesis, MLR and SEM were used to examine the findings in depth. The reason for using a zero-order coefficient such as a correlation coefficient is that the variables scale is continuous and the research question asks about the relationship between variables (Saunders et al., 2009). Some researchers treat seven-point Likert measurement scales (from strongly disagree to strongly agree) as an ordinal scale. However, most social scientists treat this scale as a continuous variable (Razali & Wah, 2011).

MLR was employed to estimate the importance of the subscales of perceived PA effectiveness in predicting employee turnover intention. SEM was used to confirm the whole conceptual model of the study (Figure 2.1). SEM has been described as a combination of CFA and MLR that is used to calculate the linear indicator relation to the latent factor and the factor relation to the dependent variable, simultaneously (Tabachnick & Fidell, 2007). The Statistical Package for the Social Sciences (SPSS) and Analysis of Moment Structures (AMOS) were used to analyse the data.

### 3.6 LANGUAGE AND TRANSLATION

Researchers face various problems in developing a questionnaire for use in a culture different to their own (Harzing, Sebastian Reiche, & Pudelko, 2013). The perceived PA effectiveness and employee turnover intention questionnaire was developed in English for a Western context and had to be translated into Arabic, the participants’ language. Translation of an English-language instrument was the only option since no Arabic-language questionnaire was available. The process was as follows. First, a Saudi lecturer from the Department of Foreign Languages at Al-Baha University, who was fluent in both English and Arabic, reviewed the researcher’s initial translation of all the items. Second, the Arabic version was back-translated into English to assess its consistency with the original English version.
After a number of changes, the revised version was sent to the participants, who also had access to the English version in case they felt comfortable using it. (Appendix 2).

3.7 ETHICAL CONSIDERATIONS

The ethical conduct of research is paramount to minimise potential harm to participants (Oliver & Barr, 2014). In the present study, the main ethical considerations were to ensure that participants understood the research purpose, how their information would be used, and that their responses would be anonymous and confidential.

Before collecting data, the researcher obtained ethical approval for the study from the Human Research Ethics Committee (HREC) of Western Sydney University (WSU). The application, which included the research background, research methodology, and questionnaire, is found in Appendix 3.

The questionnaire was accompanied by a cover letter that clearly explained the purpose of this study.

3.8 CONCLUSION

This chapter has described the methodology used to address the research question. The study adopted a survey research design, collecting data via a validated questionnaire. Multi-stage, cluster sampling was used to select a representative sample from the study population. The questionnaire was adapted from that used in a previous well-documented study to ensure that relevant data were collected. The scales and items were tested in a pilot study to confirm the reliability of the measurement instrument. Descriptive and inferential statistics were used to analyse the data to answer the research question and test the hypothesis. Translation of the
instrument was discussed. Ethical issues were considered, and appropriate steps were taken to protect research participants. The following chapter presents the results of the investigation.
CHAPTER 4 : FINDINGS

4.1 INTRODUCTION

The survey examined the influence of perceived Performance Appraisal (PA) effectiveness on employee turnover intention in the Saudi banking industry. A perceived PA effectiveness questionnaire and employee turnover intention questionnaire were used to collect data from a random sample of employees in the Saudi banking industry in Riyadh (Chapter 3, section 3.4.2). SPSS software was used to analyse the data after coding and data entry. The output of the analysis is reported in the present chapter.

The chapter is divided into four sections. The first section presents a demographic profile of the participants in relation to nationality, age, marital status, educational level, job position and years of work experience at the bank. The next section presents a preliminary analysis of the questionnaire data, with a particular focus on the perceived PA effectiveness questionnaire to test the validity of the scales. The third section reports normality and scale distribution among the participants to identify the appropriate statistical procedure for analysing the data and hypothesis. This is followed by a section on hypothesis testing, which reports the correlation coefficients of the variables and the results of MLR and SEM tests. The final section summarises the key findings.

4.2 DEMOGRAPHIC PROFILE

Table 4.1 shows the age and years of job experience of the employees who participated in the study.
Table 4.1 Mean and Standard Deviation for Age and Job Experience

<table>
<thead>
<tr>
<th></th>
<th>n</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>201</td>
<td>30</td>
<td>6</td>
</tr>
<tr>
<td>Job Exp.</td>
<td>201</td>
<td>6.9</td>
<td>5.4</td>
</tr>
</tbody>
</table>

The participants had a mean age of 30 years (SD = 6) and meant the length of employment in their current position of 6.9 years (SD = 5.4). These figures indicate that they were well-positioned to give their opinions on perceived PA effectiveness and their intention to stay or leave their job.

Descriptive data on nationality, marital status, educational level and job position are shown in Table 4.2.

Table 4.2 Frequency and Percentage of Demographic Variables

<table>
<thead>
<tr>
<th>Variable</th>
<th>n</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nationality</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Saudi</td>
<td>201</td>
<td>100.0%</td>
</tr>
<tr>
<td>Non-Saudi</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Total</td>
<td>201</td>
<td>100.0%</td>
</tr>
<tr>
<td>Marital Status</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single</td>
<td>90</td>
<td>44.8%</td>
</tr>
<tr>
<td>Married</td>
<td>100</td>
<td>49.8%</td>
</tr>
<tr>
<td>Divorced</td>
<td>8</td>
<td>4.0%</td>
</tr>
<tr>
<td>Widowed</td>
<td>3</td>
<td>1.5%</td>
</tr>
<tr>
<td>Total</td>
<td>201</td>
<td>100.0%</td>
</tr>
<tr>
<td>Educational Level</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Secondary/Technical School</td>
<td>22</td>
<td>10.9%</td>
</tr>
<tr>
<td>Bachelor Degree</td>
<td>56</td>
<td>27.9%</td>
</tr>
<tr>
<td>Master Degree</td>
<td>16</td>
<td>8.0%</td>
</tr>
<tr>
<td>Diploma</td>
<td>73</td>
<td>36.3%</td>
</tr>
<tr>
<td>Higher Diploma</td>
<td>29</td>
<td>14.4%</td>
</tr>
<tr>
<td>Other</td>
<td>5</td>
<td>2.5%</td>
</tr>
<tr>
<td>Total</td>
<td>201</td>
<td>100.0%</td>
</tr>
<tr>
<td>Position</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Teller</td>
<td>55</td>
<td>27.4%</td>
</tr>
<tr>
<td>Senior Teller</td>
<td>24</td>
<td>11.9%</td>
</tr>
<tr>
<td>Customer Service</td>
<td>45</td>
<td>22.4%</td>
</tr>
<tr>
<td>Loans Officer</td>
<td>38</td>
<td>18.9%</td>
</tr>
<tr>
<td>Other</td>
<td>39</td>
<td>19.3%</td>
</tr>
<tr>
<td>Total</td>
<td>201</td>
<td>100.0%</td>
</tr>
</tbody>
</table>
All participants were Saudi. Nearly half (49.8%) were married, with 44.8% single. More than one-third (36.3%) had diploma level qualifications, 27.9% had a bachelor degree and 8% a master degree. In relation to job title, the largest group were employed as Teller (27.4%) or Senior Teller (11.9%), followed by Customer Service personnel (22.4%) and Loans Officer (18.9%). This indicates an acceptable level of job diversity for purposes of the survey.

4.3 PRELIMINARY ANALYSIS

This section describes the preliminary analysis of the data, which was conducted using CFA to determine the validity of the perceived PA effectiveness scale.

4.3.1 Confirmatory Factor Analysis (CFA)

The reduction of correlated items to a component or composite factor is performed using the statistical procedure of factor analysis. There are two main techniques of factor analysis, EFA and CFA (Jöreskog, 1973). CFA is used to confirm that a set of statements belongs to a latent factor that has already been tested or hypothesised. EFA, by contrast, is the preferred technique for identifying a latent factor of correlated items and reducing it to underlying factors. In other words, when there is an approved or theoretical model, CFA is more applicable than EFA; when such a model is not available, EFA can help to build the model (Tabachnick & Fidell, 2007). The perceived PA effectiveness model with six factorial structures and 32 items had already been analysed using EFA (Personal Communication with Marina Mustapha, 2017). Accordingly, the current study used CFA to confirm the model for the Saudi banking industry. The output of CFA shows whether or not a proposed model is fitted to a saturated model. If the conceptual model is confirmed
by sample variance-covariance data, the proposed model is supported (Tabachnick & Fidell, 2007).

### 4.3.2 Model Fit Criteria

A variety of indices can be used to interpret the findings of a CFA analysis. The main model-fit indices are reported in the present study. The chi-square ($\chi^2$) is one of the primary indicators of goodness-of-fit that is used to judge the statistical significance of the model. The chi-square ($\chi^2$) statistical test is employed to reject or accept a proposed model compared to the saturated model. This test, however, has a limitation, that can affect the output: When the sample size is greater than 100 cases, the result of the chi-square test is uncertain (Hu & Bentler, 1995). As a result, several other indices have been developed to interpret the findings. The Non-Centrality Parameter (NCP) can estimate by ($\chi^2 / df$); the result of this formula should be less than (NCP < 5; perfect fit) to accept a proposed model. The Root-Mean-Square Error of Approximation (RMSEA) is another indicator that can inform a decision: The value of this index must meet the criterion of equal to or smaller than (RMSEA < .08) to confirm the model. Another index that is commonly used to analyse the findings is the Goodness-of-Fit Index (GFI). This index ought to be equal to or higher than (GFI > 0.90) (Schermelleh-Engel, Moosbrugger, & Müller, 2003; Browne & Cudeck, 1993).

If the results of CFA do not meet the model fit criterion, this is referred to as model misspecification. The solution is to examine the modification index that results from analysis using AMOS software (Byrne, 1998). The modification index suggests changes in regard to a covariate pair of the items. Jöreskog and Sörbom (1996) introduced this index to improve the model-fit indices by making the non-free items into free items.
4.3.3 Measurement Model: Perceived Performance Appraisal Effectiveness

The output of perceived PA effectiveness CFA is presented in Figure 4.1 and Table 4.3.

![Figure 4.1 Estimated standardised coefficients for the proposed model of perceived performance appraisal effectiveness](image-url)
Table 4.3 reports the unstandardised factor loading, standardised factor loading, standard errors, and critical ratios for 32 items of the proposed model of perceived PA effectiveness with six subscales. The chi-square index ($\chi^2(449) = 1128.36 \ p < 0.000$) is significant, meaning that the model does not fit with the sample data. However the chi-square is affected by the large size of the current sample, so the result is uncertain (Hu & Bentler, 1995). Therefore, other factors need to be

<table>
<thead>
<tr>
<th>Subscale</th>
<th>Items</th>
<th>Unstandardised Factor loading</th>
<th>Standardised Factor Loading</th>
<th>Standard Error</th>
<th>Critical Ratio</th>
<th>P</th>
</tr>
</thead>
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<tr>
<td>Goals</td>
<td>Q1</td>
<td>1.000</td>
<td>.767</td>
<td></td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Q2</td>
<td>.989</td>
<td>.843</td>
<td>.077</td>
<td>12.849</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td>Q3</td>
<td>1.003</td>
<td>.757</td>
<td>.089</td>
<td>11.297</td>
<td>0.00</td>
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<tr>
<td></td>
<td>Q4</td>
<td>.974</td>
<td>.753</td>
<td>.087</td>
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<td>.782</td>
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</tr>
<tr>
<td></td>
<td>Q6</td>
<td>1.064</td>
<td>.818</td>
<td>.086</td>
<td>12.385</td>
<td>0.00</td>
</tr>
<tr>
<td>Criteria</td>
<td>Q7</td>
<td>1.000</td>
<td>.789</td>
<td></td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Q8</td>
<td>.958</td>
<td>.759</td>
<td>.083</td>
<td>11.594</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td>Q9</td>
<td>1.000</td>
<td>.800</td>
<td>.081</td>
<td>12.405</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td>Q10</td>
<td>.958</td>
<td>.664</td>
<td>.097</td>
<td>9.856</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td>Q11</td>
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<td>.624</td>
<td>.097</td>
<td>9.151</td>
<td>0.00</td>
</tr>
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<td></td>
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<td>.686</td>
<td>.088</td>
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<tr>
<td>Standards</td>
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<td>.813</td>
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<tr>
<td></td>
<td>Q14</td>
<td>1.095</td>
<td>.887</td>
<td>.072</td>
<td>15.252</td>
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</tr>
<tr>
<td></td>
<td>Q15</td>
<td>1.100</td>
<td>.879</td>
<td>.073</td>
<td>15.047</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td>Q16</td>
<td>1.076</td>
<td>.854</td>
<td>.075</td>
<td>14.403</td>
<td>0.00</td>
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<tr>
<td>Sources</td>
<td>Q17</td>
<td>1.000</td>
<td>.604</td>
<td></td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Q18</td>
<td>1.800</td>
<td>.879</td>
<td>.188</td>
<td>9.564</td>
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<tr>
<td></td>
<td>Q19</td>
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<td>.189</td>
<td>9.814</td>
<td>0.00</td>
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<tr>
<td></td>
<td>Q20</td>
<td>.908</td>
<td>.446</td>
<td>.159</td>
<td>5.700</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td>Q21</td>
<td>1.615</td>
<td>.840</td>
<td>.174</td>
<td>9.292</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td>Q22</td>
<td>1.611</td>
<td>.801</td>
<td>.179</td>
<td>9.005</td>
<td>0.00</td>
</tr>
<tr>
<td>Feedback</td>
<td>Q23</td>
<td>1.000</td>
<td>.823</td>
<td></td>
<td>0.00</td>
<td></td>
</tr>
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<td></td>
<td>Q24</td>
<td>.987</td>
<td>.826</td>
<td>.070</td>
<td>14.188</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td>Q25</td>
<td>1.044</td>
<td>.764</td>
<td>.083</td>
<td>12.634</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td>Q26</td>
<td>1.117</td>
<td>.880</td>
<td>.071</td>
<td>15.701</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td>Q27</td>
<td>1.063</td>
<td>.853</td>
<td>.071</td>
<td>14.914</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td>Q28</td>
<td>1.092</td>
<td>.888</td>
<td>.069</td>
<td>15.933</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td>Q29</td>
<td>1.052</td>
<td>.871</td>
<td>.068</td>
<td>15.431</td>
<td>0.00</td>
</tr>
<tr>
<td>Frequency</td>
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<td>.866</td>
<td></td>
<td>0.00</td>
<td></td>
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<tr>
<td></td>
<td>Q31</td>
<td>1.025</td>
<td>.856</td>
<td>.067</td>
<td>15.270</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td>Q32</td>
<td>.896</td>
<td>.756</td>
<td>.071</td>
<td>12.585</td>
<td>0.00</td>
</tr>
</tbody>
</table>

Fit indices $\chi^2(449) = 1128.36 \ p < 0.000$, $\chi^2/df = 2.51$, RMSEA = 0.08, GFI = 0.90
considered to judge the fitness of the model. The non-centrality parameter ($\chi^2/df = 2.51$) is smaller than the acceptable range, and the root-mean-square error of approximation (RMSEA = 0.08) and the goodness-of-fit index (GFI = 0.90) are in the fitness range (Schermelleh-Engel et al., 2003; Browne & Cudeck, 1993). As a result, it can be said that the sample data are fitted with the six factorial structure of perceived PA effectiveness. Consequently, the six factorial structure of perceived PA effectiveness is valid to measure the effectiveness of PA in the Saudi banking industry.

In summary, the preliminary analysis of the measurement tools indicated that perceived PA effectiveness is a valid tool to use in the Saudi banking industry. Consequently, the data collected by those measurements are valid to analyse and test the hypothesis.

4.4 NORMALITY OF SCALE DISTRIBUTION

This section describes the first step that needed to be taken before the hypothesis could be tested, which involved checking the normality of the data distribution to examine which statistical procedure fitted with it. Descriptive statistics for perceived PA effectiveness subscales and employee turnover intention and the normality test are presented in Table 4.4.
Table 4.4 Descriptive Statistics of Perceived Performance Appraisal Effectiveness and Employee Turnover Intention

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Skewness</th>
<th>Maximum</th>
<th>Kolmogorov-Smirnova Statistic</th>
<th>df</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goal</td>
<td>25.46</td>
<td>8.10</td>
<td>-.252</td>
<td>42</td>
<td>.986</td>
<td>201</td>
<td>.041</td>
</tr>
<tr>
<td>Perceived Performance Criteria</td>
<td>25.44</td>
<td>7.88</td>
<td>-.179</td>
<td>42</td>
<td>.986</td>
<td>201</td>
<td>.040</td>
</tr>
<tr>
<td>Standards</td>
<td>16.34</td>
<td>6.3</td>
<td>-.450</td>
<td>28</td>
<td>.949</td>
<td>201</td>
<td>.000</td>
</tr>
<tr>
<td>Sources</td>
<td>24.18</td>
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<td>-.444</td>
<td>42</td>
<td>.973</td>
<td>201</td>
<td>.001</td>
</tr>
<tr>
<td>Effectiveness</td>
<td>Feedback</td>
<td>27.36</td>
<td>10.33</td>
<td>.041</td>
<td>49</td>
<td>.984</td>
<td>201 .021</td>
</tr>
<tr>
<td></td>
<td>Frequency</td>
<td>11.20</td>
<td>4.53</td>
<td>-.039</td>
<td>21</td>
<td>.973</td>
<td>201 .001</td>
</tr>
<tr>
<td>Turnover Intention</td>
<td>27.15</td>
<td>10.40</td>
<td>-.364</td>
<td>42</td>
<td>.944</td>
<td>201</td>
<td>.000</td>
</tr>
</tbody>
</table>

As can be seen, the Goal subscale has a mean of \((m=25.46, SD = 8.10)\), which indicates it is above the average score of the measurement. This means that Saudi banking employees evaluate the effectiveness of the goal of PA at a medium level. So there is room for improvement in this domain. The Criteria dimension has a mean of \((m=25.44, SD = 7.88)\) out of a maximum score of 42, indicating that the observed mean is a little above the average score of the subscale. From the observed mean score for Criteria of perceived PA effectiveness, it can be concluded that employees evaluated it at a medium level in terms of efficacy. For Standards, the mean of \((m=16.34, SD = 6.3)\) out of a maximum 28 indicates that this subscale is at an average level. The mean for Sources \((m=24.18, SD = 6.69)\) out of a maximum 42 indicates a medium level of PA effectiveness. The reported mean for Feedback \((m=27.36, SD = 10.33)\) out of a maximum of 49 indicates an average degree of effectiveness for this dimension. The Frequency subscale with a mean of \((m=11.20, SD = 4.53)\) out of a maximum 21 is an average score. Overall, it can be concluded that perceived PA effectiveness is evaluated by Saudi bank personnel at only a medium level.
The mean of reported employee turnover intention \((m=27.15, SD = 10.40)\) out of a maximum 42 indicates that there is a moderate level of intention to leave the current position in the banking industry.

The Kolmogorov-Smirnova test output shows that the normality assumption is not applicable to the subscales of perceived PA effectiveness and employee turnover intention, and the distribution of the observed scores is asymmetric. The Kolmogorov-Smirnova test is sensitive to sample size, and the recommended sample size for a reliable result is 50 cases or fewer (Elliott & Woodward, 2007). When the sample size is large, the skewness value can be used as a criterion to check the normality of the distribution. When the value of skewness is equal to or greater than 1.96, the distribution is represented by an asymmetric curve (Field, 2009). The value of observed skewness in the current study (see Table 4.4) is smaller than the suggested criteria. Therefore, it can be concluded that the distribution of the variables is symmetric. Further, violation of the normality assumption should not lead to error when there are sufficient cases greater than 50 (Pallant, 2007).

4.5 HYPOTHESIS TEST

The distribution of the variables in perceived PA effectiveness and employee turnover intention is normal. Hence it is appropriate to conduct parametric tests such as MLR and SEM to evaluate the research hypothesis. The current study hypothesis (Chapter 2, section 2.9) was:

*There is a relationship between perceived performance appraisal effectiveness (goals, criteria, standards, source, feedback, and frequency) and employee turnover intention.*
4.5.1 Correlation Coefficients

The correlation coefficients reported for the six subscales of perceived PA effectiveness with employee turnover intention in the Saudi banking industry are shown in Table 4.5.

Table 4.5 Correlation Coefficients for the Six Subscales of Perceived Performance Appraisal Effectiveness with Turnover Intention

<table>
<thead>
<tr>
<th>Turnover</th>
<th>Intention</th>
<th>Goal</th>
<th>Criteria</th>
<th>Standards</th>
<th>Sources</th>
<th>Feedback</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goal</td>
<td>-.515**</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Criteria</td>
<td>-.483**</td>
<td>.786**</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Standards</td>
<td>-.551**</td>
<td>.798**</td>
<td>.747**</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sources</td>
<td>-.458**</td>
<td>.679**</td>
<td>.643**</td>
<td>.679**</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Feedback</td>
<td>-.562**</td>
<td>.750**</td>
<td>.776**</td>
<td>.782**</td>
<td>.736**</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Frequency</td>
<td>-.519**</td>
<td>.691**</td>
<td>.647**</td>
<td>.721**</td>
<td>.704**</td>
<td>.755**</td>
<td>1</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).

As can be seen, the perceived PA effectiveness subscales have a significant negative correlation with employee turnover intention in the Saudi banking industry. The Goal subscale has a significant negative correlation \( r = -0.515, p > 0.01 \) with turnover intention. The Criteria subscale has a significant negative correlation \( r = -0.483, p > 0.01 \) with turnover intention, the Standards subscale has a significant negative correlation \( r = -0.551, p > 0.01 \) with turnover intention, the Sources subscale has a significant negative correlation \( r = -0.458, p > 0.01 \) with turnover intention, the Feedback subscale has a significant negative correlation \( r = -0.562, p > 0.01 \) with turnover intention, and the Frequency subscale shows a significant negative correlation \( r = -0.519, p > 0.01 \) with turnover intention. These findings
show that, if the effectiveness of PA increases, it can lead to a decrease in the intention of employees to leave the bank.

### 4.5.2 Multiple Linear Regression (MLR)

The appropriate statistical procedure to evaluate the direction and strength of the effect of Independent Variables (IVs) on Dependent Variables (DVs) is regression modelling. The present study used the regression modelling technique of MLR to gain insight into the drivers remaining with the bank. The results of MLR help to identify which IVs are more powerful drivers for Saudi bank employees to stay in their position. MLR is applicable when more than one IV is available for inclusion in a prediction equation to indicate how well the IV explains a DV. SPSS can be used to determine the IVs to be included in the equation. The most common method to perform the regression is Enter. In this Enter method, IVs are entered into the model in one step to estimate the total correlation of the IVs. The most influential IVs are those that can explain significant amounts of variance between dependent variables. IVs with a non-significant coefficient cannot explain the observed variance of the DV.

The IVs that were entered into the regression were Goal, Criteria, Standards, Sources, Feedback and Frequency. Table 4.6 displays the results of MLR analysis of turnover intention by perceived PA effectiveness subscales.
Table 4.6 Multiple Linear Regression of Employee Turnover Intention by Perceived Performance Appraisal Effectiveness Subscales

<table>
<thead>
<tr>
<th>Model</th>
<th>Variables Entered</th>
<th>R</th>
<th>R²</th>
<th>Standardised Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>.598</td>
<td>.358</td>
<td></td>
<td>18.38</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td>Goal</td>
<td>-.089</td>
<td>-.797</td>
<td>.426</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Criteria</td>
<td>.015</td>
<td>.144</td>
<td>.885</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Standards</td>
<td>-.200</td>
<td>-1.791</td>
<td>.075</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sources</td>
<td>.016</td>
<td>.176</td>
<td>.861</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Feedback</td>
<td>-.257</td>
<td>-2.188</td>
<td>.030</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Frequency</td>
<td>-.141</td>
<td>-1.451</td>
<td>.148</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The results indicate that perceived PA effectiveness has a correlation of (r=0.598) with the six dimensions, with a square correlation of (r²= 0.358). This means that about 36% of the variation in turnover intention can be explained by perceived PA effectiveness. Of the six subscales of perceived PA effectiveness (Goal, Criteria, Standards, Sources, Feedback and Frequency), the most significant IV is Feedback (T=2.188, P<0.03) with a standardised coefficient of (-.257). Therefore the prediction equation for turnover intention in the Saudi banking system is:

**Turnover intention = 45.022 – 257*Feedback score**

The results show that the six variables together account for 36% of the change in turnover intention. This means that, when feedback on PA to the employees of the bank is effective, other measures (Goal, Criteria, Standards, Sources, and Frequency) are similarly effective.
4.5.3 SEM Model

The results of the SEM model are presented in Figure 4.2 and Table 4.7.

![SEM model of turnover intention by perceived performance appraisal effectiveness subscale](image)

**Figure 4.2 SEM model of turnover intention by perceived performance appraisal effectiveness subscale**

**Table 4.7 Regression Weights of Perceived Performance Appraisal Effectiveness Subscale in the SEM Model of Turnover Intention**

<table>
<thead>
<tr>
<th>Subscale</th>
<th>Unstandardised Estimate</th>
<th>Standardised Estimate</th>
<th>S.E.</th>
<th>C.R.</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frequency</td>
<td>1.000</td>
<td>.826</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Feedback</td>
<td>2.498</td>
<td>.903</td>
<td>.154</td>
<td>16.221</td>
<td>0.00</td>
</tr>
<tr>
<td>Sources</td>
<td>1.432</td>
<td>.799</td>
<td>.107</td>
<td>13.391</td>
<td>0.00</td>
</tr>
<tr>
<td>Standards</td>
<td>1.489</td>
<td>.883</td>
<td>.095</td>
<td>15.648</td>
<td>0.00</td>
</tr>
<tr>
<td>Criteria</td>
<td>1.753</td>
<td>.831</td>
<td>.107</td>
<td>14.171</td>
<td>0.00</td>
</tr>
<tr>
<td>Goal</td>
<td>1.856</td>
<td>.856</td>
<td>.125</td>
<td>14.844</td>
<td>0.00</td>
</tr>
<tr>
<td>Turnover Intention</td>
<td>-1.701</td>
<td>-.611</td>
<td>.182</td>
<td>-9.331</td>
<td>0.00</td>
</tr>
</tbody>
</table>

The summary of the SEM output in Table 4.7 shows that the chi-square index ($\chi^2(13) = 24.98 \ p < 0.02$) is significant; this means that the model does not fit with the sample data. When the sample size is large, however, this is not a reliable test (Hu & Bentler, 1995). Therefore, other indices should be considered to judge the fitness of the model. The non-centrality parameter ($\chi^2/df = 1.92$) is smaller than the proposed range, the root-mean-square error of approximation (RMSEA = 0.07) and the goodness-of-fit index (GFI = 0.96) are at the adequate level (Schermelleh-Engel...
et al., 2003; Browne & Cudeck, 1993). Accordingly, it can be said that the sample data are fitted, and the six dimensions of perceived PA effectiveness can significantly explain the proposed conceptual model of employee turnover intention.

The SEM model analysis indicates that perceived PA effectiveness has a factor loading of 0.61 to explain the variance of turnover intention as a dependent variable. This means that the square root of factor loading, which is 37% of the variation in turnover intention, can be explained by perceived PA effectiveness. The coefficients of each subscale of perceived PA effectiveness are high and significant, but the roles of each dimension of perceived PA effectiveness differ based on their factor loading. The coefficients of the six components are: Feedback (0.90), Standards (0.88), Goal (0.86), Criteria (0.83), Frequency (0.83) and Sources (0.80).

4.5 CONCLUSION

The current study examined the relationship between perceived PA effectiveness and employee turnover intention in the Saudi banking industry. The key finding from the descriptive statistical analysis of the data was that the six variables of PA effectiveness were perceived as slightly above an average level of effectiveness. The descriptive analysis of turnover intention showed a moderate intention of employees to leave the bank.

The key findings are shown in Tables 4.5 to 4.7 confirmed the research hypothesis, which stated that there is a significant negative correlation between perceived PA effectiveness and employee turnover intention in the Saudi banking industry. The MLR and SEM analyses indicated that 36-37% of the change in employee turnover intention might be explained by perceived PA effectiveness. The most influential factor in perceived PA effectiveness was Feedback, followed by Standards. This means that the use of appropriate standards, such as a reliable rating
scale, and evaluating employees according to their job-related standards can enhance the reliability of providing PA. In addition, the provision of regular and timely feedback from the supervisor through a fair and satisfying interview can improve the effectiveness of PA. The next chapter presents a discussion of the results.
CHAPTER 5 : DISCUSSION

5.1 INTRODUCTION

This research investigated the process by which the perceived effectiveness of Performance Appraisal (PA) affects employee turnover intention within the Saudi banking industry. The research is important as PA is considered one of the most crucial HRM practices in any organisation (Javed et al., 2013). Previous studies indicated that employees’ perceptions of the legitimacy, accuracy, procedural justice and fairness of PA have a significant impact on employee turnover intention (Javed et al., 2013; Keeping & Levy, 2000; Mustapha & Daud, 2012). This chapter briefly revisits the conceptual framework and study sample. It assesses the findings presented in Tables 4.5 to 4.7 (Chapter 4), which deal with the relationship between perceived PA effectiveness and employee turnover intention. The chapter also discusses each of the six components of perceived PA effectiveness and evaluates the research hypothesis based on the results. The concluding section presents a summary of the chapter.

5.2 TESTED MODEL

The conceptual framework described in Chapter 2 was based on the linkage between perceived PA effectiveness and employee turnover intention. PA is an important component of the HR function in an organisation (Sung et al., 2016; Wang et al., 2015). Perceived PA effectiveness has a significant impact on employee satisfaction, employee absenteeism and turnover rates (Bourne, Kennerley, & Franco-Santos, 2005; Dusterhoff, Cunningham, & MacGregor, 2014; Ismail & Rishani, 2018; Ljungholm, 2017; Torrington, Hall, Taylor, & Atkinson, 2014). Mustpha and Daud (2012) developed a conceptual model that sought to explain the
A statistical evaluation of the model using CFA showed that the six factorial structures are valid for determining the effect that perceived PA effectiveness has on employee turnover intention. An evaluation of the 32 items in the questionnaire produced a goodness-of-fit index of 0.90, which indicates an acceptable model fit (Baumgartner & Hombur, 1996). Evaluation of the reliability of the item measures in each of the six subscales of perceived PA effectiveness and of employee turnover intention showed that the items are reliable. The Cronbach coefficient scores ranged from 0.73 to 0.95, indicating that items in the subscale have an acceptable level of consistency. The sources subclass had the lowest coefficient score (0.73) but fall within the acceptable range for consistency. Hence, the instrument that was used to collect the data is both valid and reliable.

5.3 SAMPLE

The sample in this study comprised 201 employees of the Saudi banking industry. This is an appropriate sample size given that six variables would be analysed (Hair et al., 2014). Since 50% of the population in Saudi Arabia is under the age of 25 years (Saudi Arabia General Authority for Statistics [SAGAS], 2016), it was no surprise that the mean age of the sample was 30 years. The mean length of tenure of the participants was high at 6.9 years, given the high level of employee turnover in Saudi Arabia (Iqbal, 2010). The high employee turnover intention levels are reflected in the high standard deviation of 5.4 years for the sample. There is a downward trend towards shorter employment (Jadwa Investment, 2017). The sample did not include any expatriates.
The marital status profile of the sample reflects the current employment demographics of the Saudi Arabian workforce (SAGAS, 2016). A high proportion of participants had a bachelor’s degree (27.9%) or a diploma (36.3%). This is representative of the workforce in Saudi Arabia (SAGAS, 2016), where relatively few employees have a master’s degree. The sample contained a balanced cross-section of the different roles in the bank. The sample is representative of the wider worker profile in Saudi Arabia and the key jobs performed within a Saudi Arabian bank. This was achieved by sampling 12 Saudi Arabian banks. The only major limitation of the sampling procedure was the inability to include female employees. Given that the banking sector has a relatively high percentage of female employees, this is a significant limitation. Religious and cultural restrictions prevented the male researcher from communicating with female employees. Evaluation of the normality of the data using skewness showed that the values were close to zero (Field, 2009). The data collected exhibited symmetric distribution.

5.4 THE STATUS OF PERCEIVED PERFORMANCE APPRAISAL EFFECTIVENESS AND EMPLOYEE TURNOVER INTENTION

The present research was to explore the situation of the perceived effectiveness of PA and employee turnover intention in the Saudi banking industry. The research is important due to the relatively high level of employee turnover in Saudi Arabia (Iqbal, 2010). Dissatisfaction with PA has been identified as a significant influence on an employee’s intention to leave an organisation (Kumar & Krishnaveni, 2008; Farndale et al., 2011; Yasemin et al., 2014; Bekele et al., 2014; Shahnawaz & Juyal, 2006; Waeyenberg et al., 2017). Poon’s (2004) research with Malaysian administrative employees found that perception of PA was strongly related to the turnover intention of the employees. The findings from the present study showed that
Saudi Arabian banking employees have an average perception of the effectiveness of PA. This result suggests there is widespread dissatisfaction with PA (Al-Shehri, 2007) and that attempts to implement a best practice framework might improve the level of dissatisfaction (Alqahtani, 2010). The medium score indicates that there is a need to improve the implementation and operation of PA systems.

The broad sampling strategy provided a more accurate understanding of employees’ evaluation of PA that would have been the case if the research had been limited to one organisation. A recent study of one Saudi Arabian organisation (Al-Harbi, Thursfield, & Bright, 2017) found very high levels of dissatisfaction. Their findings suggested that there is a cultural barrier that must be overcome in order for greater acceptance of western-style PA. A significant amount of modernisation has taken place in the banking industry, but this has been mediated by the cultural orientation of Saudi Arabian employees (Aldhuwaihi, 2013). The subjective relationship-orientation of Saudi Arabian culture makes it difficult for managers to be objective in their appraisals (Al Harbi et al., 2017). This can give rise to perceived unfairness in the PA process (Al Harbi et al., 2017). The importance of family and tribal relationships in the workplace can overshadow objective assessment (Al Harbi et al., 2017). This research found that turnover intentions are only moderately influenced by PA. Other factors in the workplace must exert a stronger influence over employees’ intentions to leave the organisation.

5.5 Subclasses of Perceived Performance Appraisal Effectiveness

The situation of the six components in Saudi banking industry that comprise PA in influencing employee turnover intention was addressed. Based on the research of
Mustapha & Daud (2012), six components were identified: goals, criteria, standards measurement, sources, feedback and frequency (Chapter 2, Figure 2.1).

5.5.1 Performance Appraisal Goals

Goals, in the context of PA, can be formulated by the employee and/or management for the benefit of the employee and the organisation (Cleveland et al., 1989). The level of satisfaction with the PA goals was above average. Often PA goals are poorly set in the Saudi Arabian context (Aldhuwaihi, 2013; Al Harbi et al., 2017; Alqahtani, 2010). It appears that within the banking industry the PA goals are more clearly enunciated than in other sectors. The mean of 25.46 and standard deviation of 8.10 indicates that there is enough variation in the views held by those in the sample. This observation suggests that in the context of the research, there is a need to improve the goals of PA. It is important that the PA system should encompass both the strategic goals of the organisation and the personal goals of the individual (Bititci, Mendibil, Martinez, & Albores 2005; Pavlov & Bourne, 2011).

5.5.2 Performance Appraisal Criteria

PA criteria establish the dimensions that will be used to assess the performance of the employee (DeNisi & Pritchard, 2006). Employees indicate an above average level of satisfaction with the performance criteria used. PA criteria had a mean of 25.44 and a standard deviation of 7.88. Hence there is sufficient evidence amongst the sample that there is a need to improve the efficacy of the PA criteria. The criteria that are established should arise out of the goals and cover “traits, behaviours, competencies, goal achievements and improvement potential” (Lussier & Hendon, 2016, p. 240).
5.5.3 Performance Appraisal Standards

PA standards are the scales and/or targets that are used to measure performance (Griffin, 2005). The level of satisfaction with the standards used to measure bank employees’ performance was above the average score of the distribution. The mean of 16.44 and standard deviation of 6.3 indicate agreement amongst the majority of employees. There appears to be no evidence of a discrepancy in ratings. Research by Kwak and Choi (2015) identified that rating discrepancy could have a strong influence on the turnover intentions of employees.

5.5.4 Performance Appraisal Sources

PA sources refer to the type and origins of the data that are used to evaluate the performance of the employee (Fletcher & Baldry, 2000). PA Sources had a mean of 24.18 and a standard deviation of 6.69. This indicates an average level of satisfaction amongst the employees and suggests that the data are perceived as fair and are made transparent to the employee.

5.5.5 Performance Appraisal Feedback

Feedback is the information provided to the employee by peers and/or management (Teratanava et al., 2006). This scale had an above average level of satisfaction. The mean of feedback was 27.36 with a standard deviation of 10.33. This subclass had a large score of variance, indicating a lack of consistency across organisations as to the characteristics of the feedback they provide. Consistency is important in influencing perceived fairness and equity of the PA process (Barnett, 2012). In a PA feedback meeting, employee acceptance can result in satisfaction with the PA process as a key intervention factor (Roberts & Reed, 1996).
5.5.6 Performance Appraisal Frequency

Frequency is the rate at which PAs are conducted (Mustapha & Daud, 2013). The mean of 11.20 and standard deviation of 4.53 suggest a need for improvement. There was an average satisfaction score with the frequency of PA, suggesting that the frequency of performance assessment is not meeting employees’ expectations. The standard deviation of the distribution suggests that there is wide agreement among employees. Dobbins, Platz, and Houston (1993) found that the frequency with which PAs are conducted can have a significant effect on the level of employee satisfaction with the PA system. In situations where there is a high level of role ambiguity, more frequent PAs are required.

5.6 EVALUATION OF THE STUDY HYPOTHESIS

The current study has two aims. The primary aim was to explore the relationship between the perceived effectiveness of PA and employee turnover intention in the Saudi banking industry. The second aim was to determine the relative strength of the components that comprise PA in influencing employee turnover intention.

The research hypothesised a relationship between the perceived effectiveness of the PA, as reflected in the six subscales of goals, criteria, standards, source, feedback and frequency, and an employee’s intention to leave in the Saudi banking industry. Correlation analysis showed that turnover intention was impacted negatively by the six factors of perceived PA effectiveness. It was expected that, as satisfaction with each of the subscales decreases, the likelihood that the employee will leave the organisation increases. The research found evidence (see Chapter 4, Section 4.5) to support the hypothesis.

Based on the MLR output, the most significant factor was feedback, with a standardised coefficient of -0.257. This finding supports previous research indicating
the importance of the quality of the supervisor-employee exchange in affecting employee turnover intention (Griffeth, Horn, & Gaertner, 2000). The perception of feedback indicates the level of fairness in the information provided to the appraisee by the appraiser (Dechev, 2010). In research by Bekele et al., (2014), feedback was found to be one of the most significant factors affecting an employee’s perception of PA practice. Feedback was perceived to be important to employees for understanding their performance. Standards were the next most significant factor affecting employees’ perception of the PA system. This element was also of high importance in affecting employee turnover intention in research by Bekele et al., (2014).

The strength of the relationship between the six factors of perceived effectiveness of PA (IV) and the intention of the employee to leave the bank (DV) was assessed using MLR. The correlation coefficients indicated that all six independent variables were significant in influencing the employee’s intention to leave (Chapter 4, section 4.5.1, Table 4.5), but they only accounted for 36% of the variation in intention to leave. This suggests that other factors outside of PA can influence an employee’s intention to leave. Other research has identified inequity of compensation compared to other similar work as one significant factor (Radford, 2013). The model verified the importance of feedback as a factor that influenced an employee’s intention to leave.

An evaluation of the developed model confirmed by SEM (see Chapter 4, section 4.5.3) indicated that the data verifies the validity of the model as an explanation of employee turnover. That said, it must always be borne in mind that the model is not a complete explanation of an employee’s intention to leave.
The data and the developed model show that an employee’s intention to leave is a complex phenomenon, in which PA plays a role. Personal factors such as age, education level, length of tenure, marital status and health can influence an employee’s intention to leave (Boxall, Purcell, & Wright, 2007; Shacklock & Bruneto, 2011). This research focused only on the organisational aspects of PA. The level of support provided by an employee’s supervisor, the characteristics of the psychological contract, equality of remuneration and the culture of the organisation are some of the many factors that have been shown to influence an employee’s intention to leave (Holtom, Mitchell, Lee, & Eberly, 2008; Lu, While, & Barriball, 2005). Clearly, PA influences the level of satisfaction of employees and this, in turn, can affect their intention to leave (Castle, Engberg, Anderson, & Men, 2007; McCarthy, Tyrell, & Lehane, 2007). Research shows that when an employee’s level of satisfaction decreases, their intention to leave increases. Dissatisfaction with PA is one of the factors that influence this.

The present study has demonstrated that the quality and accuracy of feedback is the most important of the six components of PA in influencing the level of satisfaction, particularly the perceived fairness and accuracy of the feedback. This is an important element in the Saudi Arabian context, where cultural factors may limit the accuracy and fairness of the feedback that is provided. Tribal and family relationships may mediate the quality of performance feedback, such that those who do not share tribal and family affiliations may experience a more negative form of feedback and this may motivate their intention to leave.
5.7 CONCLUSION

The six factorial structure of the perceived effectiveness of PA has a significant effect on employees’ turnover intention in the Saudi banking industry. Specifically, PA accounts for about one-third of the variation in turnover intention. This finding can shed light on the complexity of the phenomenon of employee intention to leave an organisation. Multiple factors are at work and need to be considered when seeking to understand the drivers of turnover in order to reduce turnover levels. Improving the standards and feedback provided through PA can influence an employee’s intention to leave. It is not enough, however, to focus on this or any other single element. The model developed in this study is useful in evaluating the perceived effectiveness of an organisation’s PA in relation to employee intentions to leave. The model demonstrates that PA improvement is an important part of an overall strategy to reduce employee turnover intention. The next chapter presents the conclusions of this study.
CHAPTER 6 : CONCLUSION

6.1 INTRODUCTION

This chapter begins by presenting a summary of the key findings of this study into the influence of the perceived effectiveness of Performance Appraisal (PA) on the turnover intention of employees in the Saudi banking industry. It then elaborates on the contribution of the findings to the body of research on the impact of PA on employee turnover intention. The implications of the findings in the Saudi Arabian context are also discussed, the limitations of the study are elaborated, and recommendations for further research are presented.

6.2 KEY FINDINGS

The primary aim of the study was to determine the relationship between perceived PA effectiveness and employee turnover intention in the Saudi banking industry. In order to accomplish this, it was hypothesised that there is a relationship between perceived PA effectiveness and employee turnover intention. Correlation analysis showed that there was a significant negative correlation between the six components of the perceived effectiveness of PA (goals, criteria, standards, sources, feedback and frequency) and employee turnover intention. The other key finding generated by MLR was that the most influential factors on employee turnover intention were the feedback and standards components of PA. This finding presents the most significant challenge in the Saudi Arabian context, where there is a cultural reticence to convey clear performance standards and honest performance feedback (Al-Harbi et al., 2017; Rasheed et al., 2015). The research clearly indicated that when the effectiveness of PA increases, there is a decline in turnover intention amongst employees in the Saudi Arabian banking industry.
The key finding from SEM was that 37% of the variation in employee turnover intention was due to employees’ perception of the effectiveness of PA. The nature of the feedback provided was the most significant factor influencing this perception. The findings were statistically validated. The research determined that there is a robust negative relationship between the independent variables that influence the perception of PA effectiveness and employee turnover intention.

Despite the strength of the present study’s findings, another perspective on PA argues it is time to end forced rating by measuring employees’ past performance (Ignatius, 2015). Adherents of this view propose that, instead of rating performance, it is more effective to focus on potential output in the future to “fuel” performance (Buckingham & Goodall, 2015). Chandler (2016), for instance, advocates ‘free[ing] yourself from the tyranny of the annual review’. Klikauer’s (2016) review of Chandler’s book, however, concludes that his suggestions will have the opposite effect.

6.3 CONTRIBUTION TO THEORY

The research makes a significant contribution to the theoretical understanding of PA implementation that can inform the Saudi Arabian banking industry’s efforts to address the issue of high employee turnover. No previous study has investigated the role of PA in influencing employee turnover intention. Given the importance of PA for employee performance and satisfaction as well as organisational outcomes (Alduhuwaihi, 2013; Cardy & Dobbins, 1994; Daoanis, 2012; Schoorman et al., 2007), the findings highlight the need to improve the effectiveness of PA in the Saudi banking industry.
6.4 PRELIMINARY IMPLICATIONS FOR THEORY DEVELOPMENT

At a theoretical level, the research has confirmed the validity of the model proposed by Mustapha and Daud (2012) (Figure 2.1) as a conceptual framework to assess the nature of the relationship between perceived PA effectiveness and employees’ intention to leave the organisation. The model has been deployed in a limited manner to assess this relationship. Research based on valid and reliable models is essential for understanding the underlying drivers of the high level of employee turnover in Saudi Arabia. The present study fills an important gap in the literature, both in a global context and specifically in relation to Saudi Arabia. In particular, the identification of feedback as a primary factor in the effectiveness of PA reflects the influence of Saudi Arabian culture.

In practical terms, the study’s findings indicate that Saudi Arabian banks need to assess their HRM practices and their impact on employee attitudes. Internal assessments need to be conducted to identify how PA practices influence the level of satisfaction, organisational commitment and turnover intention of employees. Approaches to managing and improving performance need to be developed that take account of internal and external cultural influences. Having clear performance standards and an open and honest feedback system is essential to increase employees’ satisfaction with the PA system. Establishing a more responsible and honest HR environment is vital to creating equitable work environments in which personal relationships and privilege are not allowed to undermine the validity of the PA process. An assessment needs to be made of the optimum internal work culture that will increase employees’ commitment and satisfaction with the status quo. Further research is needed on the cultural configurations that are optimal for Saudi
Arabian employees. Aldhuwaihi (2013) has initiated a body of research in this area that would benefit from a focus on the PA system within the three cultural configurations of clan, adhocracy and hierarchy. Better understanding the role of PA in influencing employee satisfaction and commitment within a hierarchical structure will help management to identify the elements that need to be present in a successful PA system. The factors currently working to shift Saudi Arabian organisations towards westernised cultural configurations may well result in increased dissatisfaction and higher levels of employee turnover.

The research showed that not all the elements in the PA process have an equally strong influence on an employee’s intention to leave. By communicating clear performance standards and providing objective, evidence-based feedback to employees, management can have a significant effect on an individual’s level of commitment to an organisation. This more systematic and accountable PA approach is likely to require training for management involved in PA to help them overcome ingrained bias.

6.5 LIMITATIONS OF THE STUDY

Several aspects of the study limit the generalisability of its findings. First, the absence of female participants means that the interpretation of the finding is limited to male employees in the banking industry. Second, caution should be exercised in generalising the findings from one city, Riyadh, to the nation as a whole.

Other limitations might affect the results. One of these is the use of self-report questionnaires to collect data and test the hypothesis. The identified relationships may not accurately reflect the reality of the organisation, but only the reality perceived by participants. Finally, resource limitations meant that only a small number of factors and influences on turnover intention could be evaluated.
6.6 RECOMMENDATIONS FOR FUTURE RESEARCH

Taking these considerations into account, three broad areas for future research can be identified. First, the lack of data on female employees’ turnover intentions needs to be addressed. Reforms currently being rolled out by King Salman under the umbrella of ‘Saudi Vision 2030’ might facilitate access to female employees in future. The present study could be replicated using female research assistants. Since there are more females in the lower levels of banking hierarchy, and they face more family responsibilities than their male counterparts, such a study should also examine the role of work-family pressures, along with the perceived effectiveness of PA, as a factor in turnover intention.

Second, future research should consider other variables that might influence turnover intention of employees in Saudi Arabian banks. These could include: the economic context, religious norms, external job opportunities, internal HRM practices, the nature of the employee-supervisor relationship, length of tenure, age, selection processes, work culture, work-family balance, promotional opportunities and the internal and external equity of compensation (Arthur & Rousseau, 2001; Cotton & Tuttle, 1986; Mobley, 1982; Pettman, 1975; Price & Mueller, 1986; Tai & Robinson, 1998; Weil & Kimball, 1995). The factors that influence employee turnover intentions are complex. In seeking to identify the strategies that management need to employ to reduce employee turnover, future research needs to be more expansive and collect a broader range of data than merely the employee’s perception of the effectiveness of PA.

Third, research in other industries is needed to determine if the factors are consistent across industries. This will shed light on the extent to which factors reflect the nature of the industry and the extent to which employee turnover is driven by the
internal culture of the organisation or external sociocultural structures. A broader contextual analysis of the relationship between job satisfaction, one’s commitment to an organisation and turnover intention could determine the relative importance of PA as an influence on employees’ satisfaction. There is a need to examine the influence of culture on perceptions of fairness in the workplace. This study has made a significant contribution to this embryonic research field, but large gaps remain. A comparative study of employees working in Islamic and non-Islamic banks might be a worthwhile project to assess the role of culture in shaping attitudes to PA.
REFERENCES


Kim, J. S., Song, H. J., & Lee, C. K. (2016). Effects of corporate social responsibility and internal marketing on organizational commitment and


International Journal of Business and Social Science, 3(19), 157-165.


Shahnawaz, M. G., & Goswami, K. (2012). Effect of psychological contract violation on organizational commitment, trust and turnover intention in


Information to Participants Involved in Research

Dear Sir,

You are invited to participate in a research project entitled “The Relationship between Perceived Performance Appraisal Effectiveness and Employee Turnover Intention in Saudi Banks”

This project is being conducted by Salem Alqarni at Western Sydney University in Australia under the supervision of Dr. Thomas Klikauer from the School of Business.

The research project seeks to understand the relationship between perceived performance appraisal effectiveness and employee turnover intention among employees of Saudi banks.

For the purpose of this research project, a survey has been developed to help disclose the interactions among these important elements.

All information provided will be strictly confidential and used for the purpose of this study. The data will be summarised and only the summarised data, with no identifying features, will be reported in the thesis and any subsequent publications. Thus, your anonymity is guaranteed.

I thank you in advance for your anticipated cooperation and participation in this study. Questions regarding the survey, can be directed to the researcher: Salem Alqarni (18549919@student.westernsydney.edu.au) or, alternatively, my principal supervisor: Dr. Thomas Klikauer at the Western Sydney University, Australia (T.Klikauer@westernsydney.edu.au).

The completion of this survey implies your consent to participate. If you choose to participate, please complete the attached survey.

If you have any concerns or questions regarding research ethics, please contact the Ethics Committee through Research Engagement, Development and Innovation (REDI) on Tel +61 2 4736 0229 or email humanethics@westernsydney.edu.au.

Thank you very much for your time and help.
Part A: Demographic Information:

Firstly, we would like to know just a little about you so we can see how different types of people feel about the issues we have been examining:

- Nationality:
  - □ Saudi
  - □ Non-Saudi

- Age: ........Years

- Marital status:
  - □ Single
  - □ Married
  - □ Divorced
  - □ Widowed

- Educational level:
  - □ Secondary/Technical School
  - □ Diploma
  - □ Bachelor Degree
  - □ Higher Diploma
  - □ Master Degree
  - □ Other (please specify):
    - ............................

- Job position:
  - □ Teller
  - □ Senior Teller
  - □ Customer Service
  - □ Loan Officer
  - □ Other (please specify):
    - ............................

- Years of experience in bank: ........Year(s)
Part B: Perceived Performance Appraisal Effectiveness:

In this section, we ask you to assess your perception of your bank’s performance appraisal effectiveness. You will be providing a picture of how your bank conducts performance appraisal. No right or wrong answers exist for these questions. Therefore, be as accurate as you can in responding to the questions. Please circle a number from 1 to 7 using the scale below:

1 = Strongly Disagree  2 = Somehow Disagree  3 = Disagree  4 = Neutral
5 = Agree  6 = Somehow Agree  7 = Strongly Agree

<table>
<thead>
<tr>
<th>Performance Appraisal Goals</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Performance appraisal in my bank establishes and clarifies work goals and objectives.</td>
<td></td>
<td></td>
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<tr>
<td>2. Performance appraisal in my bank is used to set behavioural standards, competencies and compensation packages</td>
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<td>3. Performance appraisal in my bank facilitates an open discussion/communication between managers and subordinates.</td>
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<td>4. The objectives of performance appraisal system in my bank are linked with long-term business strategies.</td>
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<tr>
<td>5. Performance appraisal in my bank facilitates subordinate development, motivation and performance motivation.</td>
<td></td>
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<tr>
<td>6. The objectives for performance appraisal in my bank are clear enough to meet my job goals.</td>
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</table>
### Performance Appraisal Criteria

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</thead>
<tbody>
<tr>
<td>7. The criteria for performance appraisal are linked to the key outcomes of bank.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>8. Performance appraisal criteria are relevant to my work.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>9. Purpose of each performance appraisal criteria is clear.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>10. Attitudes and behaviours are important parts of performance appraisal criteria.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>11. Performance appraisal criteria are under the control of the evaluated bank unit.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>12. Objective performance appraisal criteria are preferable to subjective ones.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
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</table>

### Performance Appraisal Standards

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<tbody>
<tr>
<td>13. My performance appraisal is based on specified performance standards for my position.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>14. To measure performance, the measurement or rating scale is reliable in my bank.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>15. My performance is appraised according to previously established responsibilities, standards and goals.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
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<tr>
<td>16. The scale to measure criteria for performance is sufficient in my bank.</td>
<td>1</td>
<td>2</td>
<td>3</td>
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<td>6</td>
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### Performance Appraisal Sources

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<tr>
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<th>4</th>
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<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>17.</td>
<td>The multi-source or 360 degree feedback is used for performance appraisal in my bank.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>18.</td>
<td>My appraiser has a good understanding of the skills required to perform my job.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
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<tr>
<td>19.</td>
<td>My appraiser is familiar with all phases of my work.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
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<td>7</td>
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<tr>
<td>20.</td>
<td>My appraiser does not have a good knowledge of my performance levels in my current position.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>21.</td>
<td>My appraiser has excellent knowledge of my positions’ duties.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>22.</td>
<td>My appraiser has observed my performance under both routine and pressured condition.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
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</tbody>
</table>

### Performance Appraisal Feedback

<table>
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<tr>
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<th>3</th>
<th>4</th>
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<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>23.</td>
<td>The feedback system is transparent in my bank and worth trusting.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
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<td>7</td>
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<tr>
<td>24.</td>
<td>My last feedback interview appraisal increases my understanding of the job.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
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<td>7</td>
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<tr>
<td>25.</td>
<td>I felt satisfied with the feedback interview appraisal.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
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<td>7</td>
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<tr>
<td>26.</td>
<td>Possible actions, which I could take to improve performance in my present position are discussed during my performance appraisal.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
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<tr>
<td>27.</td>
<td>I am given the opportunity to state my side of all the issues discussed during my performance appraisal.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
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<tr>
<td>28.</td>
<td>I get timely feedback from my supervisors.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>29.</td>
<td>My last feedback interview appraisal gave me a good idea of how well I’m doing in my job.</td>
<td>1</td>
<td>2</td>
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<td>4</td>
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<td>7</td>
</tr>
<tr>
<td></td>
<td>Performance Appraisal Frequency</td>
<td>1</td>
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<tr>
<td>30.</td>
<td>I am satisfied with the frequency of performance appraisal conducted in my bank.</td>
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<tr>
<td>31.</td>
<td>Discussion and review of my performance is a continuous process, not one that occurs only during my formal performance appraisal.</td>
<td></td>
<td></td>
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<td>32.</td>
<td>My formal appraisals are connected to informal meetings between my appraiser and I which take place throughout the entire year.</td>
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</tbody>
</table>
Part C: Turnover Intention:

Finally: We would like to ask you how you feel about your present job compared with alternative jobs that you may be interested in or able to obtain. For each of the following statements below, please circle a number from 1 to 7 using the scale below:

1 = Strongly Disagree  2 = Somehow Disagree  3 = Disagree  4 = Neutral
5 = Agree  6 = Somehow Agree  7 = Strongly Agree

<table>
<thead>
<tr>
<th>Statement</th>
<th>Scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>33. I intend to leave the bank soon.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>34. I plan to leave the bank in the next little while.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>35. I will quit the bank as soon as possible.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>36. I do not plan on leaving the bank soon.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>37. I may leave this bank before too long.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>38. I intent to continue working in the bank.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
</tbody>
</table>

Thank you for your time and co-operation in completing this survey.
جامعة غرب سيدني

معلومات للمشاركين في البحث

عزيزي المشترك،

يسرنا دعوتكم للمشاركة في هذه الدراسة تحت عنوان: "العلاقة بين تصور الموظفين لتقييم الأداء وآثاره على التسرب الوظيفي في البنوك السعودية".

يقوم بهذه الدراسة الطالب سالم القرني في جامعة غرب سيدني بأستراليا تحت إشراف الدكتور توماس كليكاور من كلية الأعمال.

تسعى هذه الدراسة لفهم العلاقة بين تصور الموظفين لتقييم الأداء وآثاره على التسرب الوظيفي بين موظفي البنوك السعودية، ولتحقيق الأهداف المنشودة من هذه الدراسة، تم إجراء استبانين للكشف عن العلاقات المتبادلة بين هذه العناصر الهامة.

جميع البيانات والمعلومات التي يتم المشاركة بها في هذه الدراسة وهذا الاستبيان سوف يتم التعامل معها بسرية تامة لتحقيق الأهداف المرجوة من الدراسة. سوف يتم تلخيص البيانات بحيث يتم التعامل معها دون الرجوع إلى أي بيانات شخصية سواء في هذه الدراسة أو المطبوعات المرتبطة بها، وذلك يتم ضمان إغفال البيانات الشخصية للمشاركين في هذا الاستبيان.

أشكر مقدما جميع المشاركين على تعاونهم ومشاركتهم في هذه الدراسة. وفي حال وجود أي أسئلة أو استفسارات حول الاستبيان، نرجو توجيهها لصاحب البحث: سالم القرني على البريد الإلكتروني 18549919@student.westernsydney.edu.au، أو إرسالها إلى البريد الإلكتروني الخاص بالمشروع على هذه الدراسة الدكتور توماس كليكاور الأساتذة المحاضر في جامعة غرب سيدني:T.Klikauer@westernsydney.edu.au.

إتمام الإجابة على هذا الاستبيان تعني موافقتكم على المشاركة. عند اختيار المشاركة، الرجاء إكمال الاستبانة المرفقة.

وفي حال وجود أي استفسار عن أخلاقيات البحث، نرجو الإتصال بلجنة مدونة السلوك من خلال البريد الالكتروني: humanethics@westernsydney.edu.au، أو الهاتف رقم /0061247360229.

نشكر لكم تعاونكم وإهتمامكم.
الجزء: المعلومات الشخصية والوظيفية

أولاً، الرجاء وضع علامة (X) في الفراغ المناسب لواعبك الحالي:

الجنسية:

السعودي □ غير السعودي □

العمر: ............. سنة

الحالة الاجتماعية:

أعزب □ متزوج □ مطلق □ أرمل □

المستوى التعليمي:

البكالوريوس □ شهادة بكالوريوس □

الدبلوم العالي □ شهادة مهنية □

الدبلوم □ جدارة ماجستير □

آخرية (يرجى تحديدها) □

المسمى الوظيفي:

مسؤول القروض □ كبير صرافين □

مسؤول خدمة العملاء □ صراف □

آخرية (يرجى تحديدها) □

عدد سنوات الخبرة في البنك: ............. سنوات

110
الجزاء: فعالية تقييم الأداء:

المطلوب منكم في هذا القسم إيضاح رؤيكم وتقديمكم لمدى فعالية تقييم الأداء في البنك. سوف تقوم بتوفير صورة عن كيفية إجراء تقييم الأداء لدى البنك الذي تعمل فيه. الرجاء الأخذ بالإعتبار أنه لا توجد إجابة خاطئة أو صحيحة، لذلك نرجو منكم توخي الدقة في الإجابة عن الاستجابة بوضوح دامرة حول الإجابات المبينة أدناه:

لا أوافق بشدة  =  لا أوافق إلى حد ما  =  أوافق  =  محيد  =  موافق  =  موافق إلى حد ما  =  موافق بشدة

<table>
<thead>
<tr>
<th>أهداف تقييم الأداء</th>
<th>7</th>
<th>6</th>
<th>5</th>
<th>4</th>
<th>3</th>
<th>2</th>
<th>1</th>
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<tbody>
<tr>
<td>1. يؤدي تقييم الأداء في البنك الذي أعمل فيه إلى وضع وتحديد الأهداف والغايات المتعلقة بالعمل.</td>
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<tr>
<td>2. يتم استخدام تقييم الأداء في البنك الذي أعمل فيه إلى إرسال معايير السلوك والكفاءة وحزم التعويضات.</td>
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<td>3. يؤدي تقييم الأداء في البنك الذي أعمل فيه إلى تسهيل فتح نقاش و التواصل بين المدراء والمسؤولين.</td>
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<td>4. ترتبط أهداف تقييم الأداء في البنك الذي أعمل فيه مع الاستراتيجيات طويلة الأجل.</td>
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<td>5. يؤدي تقييم الأداء في البنك الذي أعمل فيه إلى تطوير المروسين وتحفيز أدائهم.</td>
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<tr>
<td>6. إن أهداف تقييم الأداء في البنك الذي أعمل فيه تكون واضحة بشكل كاف لملاءمة أهدافي في العمل.</td>
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<tr>
<td>معايير تقييم الأداء</td>
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<tr>
<td>1. ترتبط معايير تقييم الأداء في البنك بالنتائج الرئيسية الموضوعية.</td>
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<tr>
<td>2. إن معايير تقييم الأداء في البنك لها علاقة بأعمال العمل المتبقية في عمل.</td>
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<tr>
<td>3. هناك وضوح هدف كل معيار تم وضعه للقياس الأداء في البنك.</td>
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<td>4. السلوكيات والمواصفات تعتبر جزءاً هاماً من معايير تقييم الأداء في البنك.</td>
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<td>5. تخصص معايير تقييم الأداء المتعلقة في البنك لسياحة الوحدة التي تقوم بالقياس.</td>
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<td>6. تكون الأهداف الموضوعية لمعايير تقييم الأداء مفصولة بشكل أكبر عن الأهداف الناتجة.</td>
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<th>معايير تقييم الأداء</th>
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<tbody>
<tr>
<td>7 6 5 4 3 2 1</td>
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<tr>
<td>13. يتم استخدام مقياس أدائي في البنك على مقياس معينة من الأداء ذات صلة منظمي في العمل.</td>
<td></td>
</tr>
<tr>
<td>14. تقاس الأداء، يتم استخدام مقياس يمكّن التوثيق فيها في البنك الذي أصل فيه.</td>
<td></td>
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<tr>
<td>15. يتم تقديم أدائي على ضوء المسؤوليات المحددة إلى سابقًا ومدى تحقيق الأهداف الموضوعة.</td>
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<tr>
<td>16. إن المقياس الموضوع تقييم معايير الأداء في البنك كافة وموضوعية.</td>
<td></td>
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</tbody>
</table>
**مصادر تقييم الأداء**

| رقم | نسبة | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 |
| 17  | 7    | 6 | 5 | 4 | 3 | 2 | 1 |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 18  | 7    | 6 | 5 | 4 | 3 | 2 | 1 |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 19  | 7    | 6 | 5 | 4 | 3 | 2 | 1 |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 20  | 7    | 6 | 5 | 4 | 3 | 2 | 1 |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 21  | 7    | 6 | 5 | 4 | 3 | 2 | 1 |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 22  | 7    | 6 | 5 | 4 | 3 | 2 | 1 |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |

**مراجعة وإبداء الرأي حول تقييم الأداء**

<p>| رقم | نسبة | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 |
| 23  | 7    | 6 | 5 | 4 | 3 | 2 | 1 |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 24  | 7    | 6 | 5 | 4 | 3 | 2 | 1 |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 25  | 7    | 6 | 5 | 4 | 3 | 2 | 1 |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 26  | 7    | 6 | 5 | 4 | 3 | 2 | 1 |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 27  | 7    | 6 | 5 | 4 | 3 | 2 | 1 |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 28  | 7    | 6 | 5 | 4 | 3 | 2 | 1 |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 29  | 7    | 6 | 5 | 4 | 3 | 2 | 1 |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |</p>
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</thead>
<tbody>
<tr>
<td>30</td>
<td>أنا راضٍ عن تكرار تقييم الأداء الذي يتم إجرائه في البنك الذي أعمل فيه.</td>
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<tr>
<td>31</td>
<td>إن مناقشة ومراجعة أدائي في البنك هي عملية مستمرة، ليست مجرد واقعة تحدث أثناء إجراء تقييم الأداء الرسمي.</td>
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<td>32</td>
<td>إن تقييم أدائي الرسمي مرتبط باجتماعات غير رسمية يتم عقدها بيني وبين الشخص المسؤول عن تقييمي على مدار العام.</td>
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</table>
الجزء ج: نية ترك العمل والبحث عن وظيفة أخرى:

ختاماً، في هذا الفصل سوف نطلب منك أن تخبرنا عن إحساسك تجاه وظيفتك الحالية مقارنةً مع الوظائف الأخرى التي قد تكون مهتماً بها أو قادراً على الحصول عليها وذلك بوضع دائرة حول الإجابات المبينة أدناه.

<table>
<thead>
<tr>
<th>5 = موافق</th>
<th>6 = موافق الى حد ما</th>
<th>7 = موافق بشدة</th>
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</thead>
<tbody>
<tr>
<td>7 6 5 4 3 2 1</td>
<td>33. أعتزم ترك العمل في البنك قريباً.</td>
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<td>7 6 5 4 3 2 1</td>
<td>34. أخططت لترك العمل في البنك في الأمد القريب.</td>
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<tr>
<td>7 6 5 4 3 2 1</td>
<td>35. سوف أترك العمل في البنك حالاً أستطيع.</td>
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<tr>
<td>7 6 5 4 3 2 1</td>
<td>36. لا أخطط لترك العمل في البنك قريباً.</td>
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<tr>
<td>7 6 5 4 3 2 1</td>
<td>37. من الممكن أن أترك العمل في البنك في القريب العاجل.</td>
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<tr>
<td>7 6 5 4 3 2 1</td>
<td>38. أعتزم الاستمرار في عملي في هذا البنك.</td>
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</tbody>
</table>

شكراً لكم على الوقت الذي تمت تخصيصه لنا وعلى حسن تعاونكم معنا لإكمال هذا الاستبيان.
APPENDIX 3: HUMAN RESEARCH ETHICS COMMITTEE APPROVAL

HUMAN RESEARCH ETHICS COMMITTEE

7 August 2017

Mr Thomas Klikauer
School of Business

Dear Thomas,

I wish to formally advise you that the Human Research Ethics Committee has approved your research proposal H12318 “The Relationship between Perceived Performance Appraisal Effectiveness and Employee Turnover Intention in Saudi Banks”, until 7 August 2018 with the provision of a progress report annually if over 12 months and a final report on completion.

In providing this approval the HREC determined that the proposal meets the requirements of the National Statement on Ethical Conduct in Human Research.

This protocol covers the following researchers:

Thomas Klikauer, Salem Alqarni

Conditions of Approval

1. A progress report will be due annually on the anniversary of the approval date.

2. A final report will be due at the expiration of the approval period.

3. Any amendments to the project must be approved by the Human Research Ethics Committee prior to being implemented. Amendments must be requested using the HREC Amendment Request Form: 
https://www.westernsydney.edu.au/__data/assets/word_doc/0012/1096995/FORM_Amendment_Request.docx

4. Any serious or unexpected adverse events on participants must be reported to the Human Research Ethics Committee via the Human Ethics Officer as a matter of priority.

5. Any unforeseen events that might affect continued ethical acceptability of the project should also be reported to the Committee as a matter of priority

6. Consent forms are to be retained within the archives of the School or Research Institute and made available to the Committee upon request.

7. Project specific conditions:
There are no specific conditions applicable.

Please quote the registration number and title as indicated above in the subject line on all future correspondence related to this project. All correspondence should be sent to the e-mail address humanethics@westernsydney.edu.au as this e-mail address is closely monitored.

Yours sincerely

Professor Elizabeth Deane
Presiding Member,
Western Sydney University Human Research Ethics Committee