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Employee perceptions of performance appraisal

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Aiempi tutkimus on jo pidemmän aikaa osoittanut yhteyden henkilöstöjohtamisen ja suorituksen välillä, mutta kysymys siitä *miten* tämä yhteys muodostuu, on jäänyt vähemmälle huomiolle. Bowen ja Ostroff (2004) ovat esittäneet, että työntekijöiden tulkitessa henkilöstöjohtamisen prosessit yhtenäisesti, syntyy vahva organisaatioilmasto. Yhteiset tulkinnat taas ovat mahdollisia, kun HR-prosessit ovat selvästi erottuvia, ajan ja tavan suhteen johdonmukaisia sekä yhteisymmärrykseen perustuvia. Tämän teorian mukaan henkilöstöjohtamisen prosessit vaikuttavat suoritukseen motivoimalla henkilöstöä omaksumaan tietyt asenteet ja käytösmallit, jotka puolestaan edesauttavat tavoitteiden saavuttamisessa.

Tämän tutkimuksen tavoitteena on selvittää professorien näkemyksiä tavoitekeskusteluista ja suorituksen arvioinnista suomalaisessa yliopistossa edellä mainittujen henkilöstöjohtamisen prosessin piirteiden näkökulmasta. Tämä laadullinen tutkimus selvitti teemahaastatteluin työntekijöiden käsityksiä kohdeyliopiston tavoitekeskusteluprosessista kevään ja kesän 2017 aikana. Haastatteluaineisto analysoitiin reflektoimalla sitä edellä mainitun Bowenin ja Ostroffin teorian piirteisiin.

Tutkimuksen tulosten perusteella on nähtävissä, että kohdeyliopiston professorit käsittävät tavoite- ja arviointikeskustelut hyvin samankaltaisesti. Tulosten perusteella organisaatioilmaston voidaan nähdä olevan hyvin vahva, kun tavoitekeskusteluprosessia tarkastellaan sisällön perusteella. Tämä päätelmä perustuu siihen, että tutkimuksen kohteena olevat professorit arvottivat kollegojen väliset keskustelut hyvin korkealle. Toisenlaiseen johtopäätökseen voidaan kuitenkin päästä, kun asiaa tarkastellaan nimenomaan prosessin perusteella. Muodollisella prosessilla ei nähty olevan juuri painoarvoa ja se koettiin lähinnä byrokraattiseksi ja ”pakolliseksi pahaksi”. Tämän tutkimuksen tulosten perusteella voidaan siis päätellä, että mikäli keskusteluprosessin merkitystä halutaan kasvattaa, tulisi se riisua kaikesta byrokraattiseksi koetusta muodollisuudesta.

ABSTRACT

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For some time now, research has shown the linkage between human resource management and performance, but the question of *how* this linkage is formed, has received less attention. Bowen and Ostroff (2004) have argued that when employee perceptions of HRM processes are congruent, a strong organizational climate exists. Congruent perceptions are possible, if HRM processes are perceived to be distinctive, consistent and consensual of nature. According to this theory, HRM practices can contribute to firm performance, by motivating employees to adopt desired attitudes and behaviors that help achieve the organization's goals.

This study aims to unravel perceptions of certain professors in a Finnish university. The idea is to examine performance appraisal in the light of the three above mentioned process features. This qualitative case study aimed to unravel the employee perceptions of performance appraisals by theme interviews, which were conducted during spring and summer 2017. The interview data was then analyzed by reflecting it against the above-mentioned Bowen and Ostroff's theory.

The results of this research show that the perceptions of the case university professors are very similar. When the performance appraisal process is examined from a content perspective, the organizational climate can, according to the findings of this study, be interpreted to be very strong. This conclusion is based on the fact, that the target group professors highly valued colleague interaction. However, when performance appraisal is examined from the process perspective, the conclusion is quite the opposite. A formal process was not seen to play an important role, but was instead perceived to be bureaucratic and just something to "get over and done with". A conclusion, that can be drawn from the results of this study, is that to increase the significance of the process, performance appraisal should be stripped of all formalities.

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1 INTRODUCTION

A lot of research has been done about the linkage between human resource management (HRM) and firm performance (e.g. Wright et.al. 1993; Pfeffer 1994; Delaney & Huselid 1996). The question of *how*, however, has received much less attention. In addition, HRM in the university context is a subject, that has not yet been much researched in Finland or internationally (e.g. Convertino 2008; Pekkola et.al. 2016). For example, most Finnish HRM research has been conducted about the effects of the new salary system (e.g. Salimäki & Nylander 2005; Maaniemi 2013), fixed-term employment (e.g. Pekkola & Kuoppala 2015), and project work (Kuoppala et.al., 2015), but the linkage between HRM and performance in the university context has mostly been unraveled.

In their article in 2004, Bowen and Ostroff argued, that employee perceptions of specific process features are in a leading role, when explaining how HRM affects organizational performance. They developed a framework for understanding how HRM practices, as a system, can contribute to firm performance, by motivating employees to adopt desired attitudes and behaviors that, in the collective, help achieve the organization's strategic goals.

Setting the aforementioned framework as a background, my thesis aims to examine the individual employee perceptions of the distinctiveness, consistency, and consensus of the objective discussions, including the performance appraisal model, in university settings. The focus will be on the academic faculty, specifically the full and assistant professors, of a large multidisciplinary Finnish university, and especially on one of its six faculties. The study is of qualitative nature, and thematic interviews are conducted in order to discover the professors' in-depth perceptions of the objective discussion process and performance appraisal process.

This topic is fascinating, because academia and academic freedom are not the first concepts one would expect to be paired up with performance appraisals and objectives. Research work in universities is often driven by passion for science and the ideal of academic freedom. Professors and researchers are traditionally very committed to what they do. However, even though most are very committed and hardworking, there are always freeriders or underperformers, and universities have even been perceived to offer sheltered employment (*suojatyöpaikka* in Finnish) for some. Intervening with what an academic does, or doesn't do, has been seen as a taboo. This is a topic that, for the last few decades, has also been tied to a broader discussion of the Management by Results doctrine in Finnish higher education, not just on the individual level, but on the system level as well. Since the 1990's, the demand for e.g. quality and efficiency in Finnish universities has constantly increased. Universities are expected to produce more completed degrees, progress societal and regional development, and support the civil society. (Treuthardt 2005, 207) However, this is a phenomenon, which, on both the system as well as the individual level, should not be understood narrowly or in a solely negative sense, but instead, it is an ample phenomenon with elements supporting and increasing good performance, such as development and adding value to the organization.

Even though organizational culture in the case university has, over the last decade or so, developed into a more competitive and target-oriented direction, appraising one's performance might nevertheless receive negative attitudes. This is why examining employee perceptions of HRM processes, especially those processes that assess individual performance, is a highly interesting topic to look into. The results of this study might turn out to be useful for the case university, where the results can possibly have practical significance, when designing and improving the array of HRM practices. However, the relevance is not limited to the case university only, as the competitive, entrepreneurial-like university context and organizational culture has gained ground in other universities across not only Finland, but also throughout Europe and the world. The results of this study might therefore be interesting, also from a broader point of view.

1.1 Background

This chapter describes the background for this study in more detail. As the academia differ considerably from private sector organizations, a brief introduction to academic work is in place in the first subchapter. The focus then moves from general to more specific, as the second subchapter views human resource management in the university context from a more general point of view, after which the last subchapter focuses more on a brief overview of the performance appraisal process in the case university.

1.1.1 Academia and academic work

As said, research work in universities is often driven by passion for science and the ideal of academic freedom. Professors and researchers can be described to be very committed to what they do - they actually do not consider it a job, but more a way of life. Academic freedom is to be taken seriously: it is even stated in the University Act (558/2009 2 § 1 mom.) – “the universities shall have freedom of research, art and teaching”.

This applies for most researchers and teachers – but not all of them. As in every organization, most people perform well and do their job on or above par. Unfortunately, there are also underperformers, who do not manage with their workload. There are freeriders, who do their own research on whatever topic they want – relevant or not to the university – and still get paid monthly until the age of 68. Intervening with what an academic does has been seen as a taboo.

Times are a-changing – or have already changed quite much during the last few decades. The *Management by results (MBR)* university doctrine was adopted by Finnish universities in the early 1990’s, and it is now an essential part of the academic community. The roots of MBR draw its inspiration from several theories, that inspired the public administration reform in Finland in the late 1980’s, for example the New Public Management (NPM) ideology. (Kallio 2014, 48) The basic idea behind NPM is “to strengthen public-sector organizations by applying management doctrines that have proved to be effective in the private sector” (Kallio & Kallio 2014, 575-576). The reformers of public administration were fascinated with these trends, and as universities are a part of the public sector in Finland, all government-wide management reforms have had their effect on the universities as well (ibid., 585).

MBR is a managerial doctrine for measuring performance in organizations. It is based on the key idea of increasing the performance level and deploying the organization strategy to all levels of the organization, even to the very grass-root level (Kallio & Kallio 2014, 574). With the influence of MBR, universities today are perceived to be entrepreneurial units driven by market forces, and their “products” – knowledge – can be compared to the production of any commodity. This means, at least in principle, that the production can be calculated, quantified, optimized, and be a part of financial indicators. (Kallio 2014, 65-66). Universities have undergone a change from science communities to government agencies and further to business units, and with this change, they are required to be ever more productive – and also more transparent (Treuthardt 2005, 207). It is nevertheless important to emphasize the key idea behind the doctrine, which, as said, is increasing the level of performance. Therefore, MBR should not be understood in a solely negative sense, but instead, it is an ample phenomenon, which should be associated with more positive elements, such as increasing optimal performance. (Kallio 2014, 255) In addition, performance appraisals on the individual level, as we will see in the theoretical framework in Chapter 2, also include much more than just the opportunity to spot e.g. unsatisfactory performance. Instead, it is an evaluation process of an employee's current and past performance that corresponds to his or her performance standards (Dessler 2004, 192), which aims at enhancing performance, adding value to the organization, and contributing to objective attainment, therefore representing an overall view of each employee's performance, potential, and development needs (Foot & Hook 2011, 252 – 254).

Until the end of the year 2009, Finnish universities were part of the state administration and state budget. The University Act from 1997 allowed universities to accept donations, but apart from a few separate institutions, universities could not use these funds independently. Financial autonomy was increased in 2007 by allowing all universities the possibility of independent assets, nevertheless leaving the HEI's as government funded agencies. The Act defined the two basic missions, research and teaching, and, from 2005 onwards, also the third task, societal service. (Ministry of Education and Culture 2016, 13 – 14)

In 2010, Finnish universities dissociated from the state administration and have since then been financially autonomous, but still most of the basic funding still originates from the state. Performance is assessed by externally set efficiency and effectiveness criteria, as performance management has also been adapted in universities, as it is in any government organization. (Ylijoki & Aittola 2005, 7) University rankings, such as the Shanghai Jiao Tong, play a significant role in the everyday of academics (Waring 2013, 398). As said, universities have undergone enormous changes from science communities to business units, and with this change, the requirement for productivity has increased (Ylijoki & Aittola 2005, 7). Slackers and freeriders are regarded with disapproval.

Finnish academia and academic work today face many challenges. The demand for e.g. quality and efficiency is constantly increasing. Academic work is no longer defined only on national level, but in growing numbers also on international level. The demand is not only for top quality international research, but researchers are also expected to contribute to national competitiveness in global markets. Universities should produce more completed degrees in less time than before; they should progress societal and regional development, and support the civil society. (Ylijoki & Aittola 2005, 7) In the past few years, many Finnish universities have even undergone statutory negotiations and layoffs, which emphasize the fundamental transformation. As a consequence of all this, students can now be perceived to be consumers of the educational products and services, and the academics in turn “purveyors of commodities within a knowledge supermarket” (Waring 2013, citing Winter 1995).

Even though the academia has changed quite extensively over the past few decades, and even though they are ever more business-like with efficiency and effectiveness criteria, I believe that Finnish universities are still very traditional, when it comes to things like appraising one’s performance, especially in cases where productivity and efficiency are not perhaps top-notch. In the case university, the change of culture from traditional university to a more business-like university has been going on for some years, and much change has occurred in academic attitudes: (nearly) everyone strives for publishing in top journals and being among the best universities in the world. Organizational culture does not change overnight, however.

1.1.2 HRM in university settings

University HRM in Finland has traditionally been interconnected to the state administration HRM for historic reasons. The university legislation has provided a strict framework also for HRM issues such as task competencies. (Pekkola et.al. 2016) The new University Act from 2010 had a significant impact on a wide array of issues, including strategic HRM policies. Before, university HRM was restrained, not only by the aforementioned Act, but also by The Constitution of Finland, as well as by the legislation for civil servants. After 2010, the state does still tightly bind and steer the universities, but procedural autonomy in e.g. leadership and HR policies has increased. (Pekkola et.al. 2016, 71) Specific HR policies, such as career systems and career advancements, have strengthened their status as competitive factors both in Finland and internationally (Välimaa et.al. 2016, 5). The biggest effects of the act, perceived by university actors, have been on strategic management (Niinikoski et.al. 2012, 6) and autonomy (Ministry of Education and Culture 2015, 47).

The Finnish universities are still amidst a change from bureaucratic personnel administration to strategic human resource management (Pekkola et.al. 2016, 71 – 73; Välimaa et.al. 2016, 11). HRM comprises of all the meaningful actions that together ensure the resources, skills, well-being, and motivation of the organization's workforce. The HR strategy is implemented through the everyday HR policies, which in turn cover issues such as practical management, policies, and procedures. (Välimaa et.al. 2016, 11) So far, strategic HRM policies are still not holistic overviews of all practices, but instead the HRM bundle consists of various unconnected HRM practices. (ibid., 78) A four-step career model, intended and used to portray the academic career possibilities, is in use in most Finnish universities. In reality, it is mostly perceived as a career advancement model instead of description of possibilities, as was intended. (Pekkola et.al. 2016, 75) In addition, tenure track systems have been taken into use in all Finnish universities; the volume of use, however, still differs. Finnish universities now seem to be at crossroads with the career systems, with the question being whether the qualification of researchers should be done within the Finnish university system, or should integrating to international job markets be the main priority.

A fundamental challenge in the development of HRM, as well as other functions, is that the government decision-making during the recent years has not been very stable, and political demands have varied within a short time-span. In addition, the question of responsibilities and division of work still remains unclear: universities are responsible for recruitment policies, career path development etc., but it is the Ministry of Education, that is responsible for university funding and national steering.

In their report, Välimaa et.al. (2016, 76 – 79) have well defined the HRM-related challenges and development areas for the Finnish universities. Pekkola et.al. (2016, 73) have cleverly summarized the most important points, which include, for instance, linearity between the main tasks (research, teaching, societal service) and HRM functions, and equality of pay and rewarding despite of funding source. Recruitment as well as other HRM policies should be developed in order for them to support all of the three tasks, instead of just focusing on research, as well as the university profiling.

1.1.3 Performance appraisal

Performance appraisals are one of the most important HRM processes (Kauhanen 2010; Sumelius et.al. 2014). This evaluation process of an employee’s current and/or past performance that corresponds to his or her performance standards (Dessler 2004, 192), aims at enhancing performance, adding value to the organization, and contributing to objective attainment. Regular appraisals represent an overall view of each employee’s performance, potential, and development needs. (Foot & Hook 2011, 252 – 254)

In the case university, or at least some parts of it, the term development discussion has a somewhat bad ring to it. When starting to work on this topic, I had a few interesting discussions with HR representatives from the case university about the atmosphere regarding the development discussion culture. According to the university’s HR development services, the discussions have not been very successful especially within the academic faculty – if any discussions were even held. (Pihlman 2017) The situation is assumedly not as drastic throughout the university, as it is big in size, and attitudes and practices between departments and faculties differ. However, in the eyes of HRD, it was not sustainable to carry on with the situation as such. I have to agree with this, since I, also as an HR representative in the case university myself, have also seen indifferent and even negative attitudes towards the process.

The university HR thus considered it to be important to renew the process in order to improve the reputation of the discussion process. It was seen important to renew the process also name-wise. The new name emphasizes, not only the setting of measurable objectives for the next term, but also the reviewing of how the objectives from the previous term have been achieved. Its intention is to demonstrate the important role of setting personal goals for each individual’s own development and career progression. The discussions are expected to be better accepted throughout the academic community with the influence of the name-change. (Pihlman 2017)

The renewed objective discussion process includes three main aspects: reviewing results, agreeing on objectives, and planning personal development. Reviewing results includes examining past objectives and achievements, as well as an analysis of overall performance. (Objective discussions 2017) The overall performance analysis as such is a new feature introduced to the spring 2017 discussions. It has been updated to include evaluation of performance, commitment, and co-operation within the work community. For the first time, supervisors are strongly encouraged to bring up difficult subjects having to do with, for example, the performance of individuals. (ibid.) This is something that has previously been much neglected throughout the academic community, with difficult matters being avoided, understated, or left completely undealt with. The first steps of a new discussion culture were introduced in the spring of 2017, and the empirical data for this study was collected at the same time. The message that difficult subjects should be brought up, was communicated throughout the university, and supervisors were offered a chance to take part in training, which has been specifically designed for this cause.

As we will see in Chapter 2, where performance appraisals are discussed more profoundly, in HRM literature, the concept of performance appraisal includes discussions, together with appraisal tools, methods etc. The content is thus the same as within the case university, the concept just differs. Following the guidelines set by literature, this thesis discusses the whole process, including the discussions, performance evaluation etc., by the concept of **performance appraisal**.

1.2 Previous research

As briefly mentioned before, the link between HRM practices and firm performance has been researched a lot. As Delaney and Huselid (1996) put it, "it has been long and widely asserted that people are the preeminent organizational resource and the key to achieving outstanding performance". Before the early 1990's, this argument was mostly "a question of faith" (ibid.), but since then, a growing number of researchers (eg. Wright et.al. 1993; Pfeffer 1994; Delaney & Huselid 1996) have with their research findings supported the argument.

However, David E. Bowen and Cheri Ostroff were among the first to ask *how* HRM affects organizational performance. As this is a question of interest in my thesis as well, the theoretical framework of this study is built mostly around their article *"Understanding HRM – Firm Performance Linkages: The Role of the "Strength" of the HRM system"*, which was published in the Academy of Management Review in 2004. In the article, they introduced the framework they had developed for understanding how HRM practices can contribute to firm performance. Basing their work on Harold Kelley's attribution theory from the late 1960's and early 1970's, they proposed a set of characteristics, that allow HRM systems to create strong situations in which clear messages concerning performance expectations are sent to employees. These characteristics, in this thesis referred to as *features* and their *metafeatures*, are introduced in the next chapter. Bowen and Ostroff have framed their study within the mesoparadigm that concerns the simultaneous study of organizational, group, and individual processes and specifies how levels are interrelated.

Since 2004, a lot of research has been drawn from Bowen and Ostroff's theoretical framework. For example, Sanders and her partners (2008) studied whether individual perceptions of an HRM system (distinctiveness, consistency, and consensus), and shared perceptions of HRM (climate strength) are positively related to affective commitment in the organization. They found that the perceptions of distinctiveness, consistency, as well as climate strength to be positively related to affective commitment. They also noted that when the climate strength was high, the relationship between consistency and affective commitment was stronger. This points to the moderator (instead of mediator) effect of climate strength. Wright and Nishii (2007) examined the mediating processes that occurred in the linkage between HRM and performance, and aimed to make their multilevel nature explicit. Their findings show that not the HRM practices alone, but the employee perceptions of the practices, advance the shared perceptions, and with that consecutively contribute to the development of a strong HRM system. When the system is strong, the practices are more likely to have the desired effects. Sumelius and her team (2014) aimed to answer to the question of what determines employee perceptions of HRM process features against the background of Bowen and Ostroff's (2004) study. In their study, they explored the influences of individual employee perceptions of visibility, validity, and procedural and distributive justice of performance appraisal in subsidiaries of multinational corporations, and found that numerous drivers on the unit, relationship, as well as the individual level influence the employee perceptions of performance appraisal.

Bowen and Ostroff expressed the need for further research on the properties of the HRM process: "to delineate how these processes influence the attributes of the work situation as perceived by employees" (Bowen & Ostroff 2004, 215). They also added that the metafeatures of the organization introduced in their study must be tested as important elements that create strong situations. Sumelius et. al. (2014) noted that there has been a lack of multilevel exploration of HRM, and "research examining the effect of organizational-level phenomena on individual level processes is scarce" (ibid.).

HRM in university context is a subject that research has not yet shed much light on in Finland or internationally. Most Finnish research ties HRM as a part of a broader discussion of managerialism and change of control regarding the academic work. (Pekkola et.al. 2016, 74) Most studies in the 2000's and 2010's have been about the effects of the new salary system (e.g. Salimäki & Nylander 2005; Maaniemi 2013), fixed-term employment (e.g. Pekkola & Kuoppala 2015), and project work (Kuoppala et.al., 2015). Recent studies have broadened the scope also to HR policies and career systems (Välimaa 2016, 11). Pekkola et.al. (2016, 74) refer to recent studies, which have indicated significant deficiencies and inconsistencies in university HRM, both in Finland and in Sweden. For example, HR policies are mostly aimed at research support, thus lacking support for the other two main tasks.

The opportunities and challenges of a new salary system in the case university were examined over a decade ago, when the aforementioned study on employee perceptions and opinions about the preparation of the salary system was done in spring 2005 (Salimäki & Nylander 2006). The new salary system was then considered to be e.g. more flexible and a better tool for rewarding strong work performance, but on the down-side, it was perceived to be complicated, and employees also feared it to cause conflicts. The performance appraisal process does differ to some extent from salary systems and discussion processes related to them. There are many similarities, though, and as over 10 years have passed since the case university has previously been under scrutiny from this perspective, it is without a doubt time for new research.

Johanna Maaniemi has in her doctoral dissertation (2013) studied the employee and supervisor perceptions and experiences of injustice regarding the performance appraisal process as a part of the salary system in government sector organizations. Her results indicated that the sources, from where procedural and interactional justice rules arise, can be both formal and informal, and that their interrelations created experiences of injustice. She suggested, that "the perception of systemic justice is affected not only by the formal rules of the system itself, but in particular, through the relations that the system has with its context and individuals using the system." This means, that in order to promote the perceived fairness of the salary system, more attention should be paid on fit between the system and its context. (ibid.)

Research has also been conducted in the Finnish university context about performance management, and specifically of the performance measurement related to it. In her doctoral dissertation in 2014, Kirsi-Maria Kallio strived to examine how this phenomenon has shown itself to research and teaching staff in higher education at the very grass-root level, and gathered empirical data from academic staff in three Finnish universities. The findings of this study show, that in principle, measuring performance was perceived to be difficult to conduct objectively, and the current performance management and measurement system, with regard to both the quantitative and the qualitative evaluation, seemed to be somewhat unsuccessful. The indicators were not seen to be very supportive, and, according to the study findings, the affects to work motivation were mostly negative. The findings of this study show, that performance management and measurements are not a perfect fit with Finnish universities. (ibid.)

Also internationally, HRM in the university context is still “a work in progress” (Convertino 2008). This refers to the fact that HRM in higher education institutions (HEI’s) has not been much researched. This was also recognized in a study, where the current state of university HRM was evaluated in Tempus Partner Countries (Dubosc & Kelo 2012). The Tempus Programme is an EU co-operation scheme for Higher Education, which supports the process of transformation to market economies and democratic societies in e.g. Caucasus, Central Asia, Eastern Europe, and the Western Balkans (EACEA 2017). According to the findings of the study, the importance of HRM was recognized in the countries in question, but so far only a few had made progress in actually developing national strategies to concretely support higher education institutions (Dubosc & Kelo 2012, 97).

HRM in the academic context has been criticized for e.g. not fitting into the academic environment and not adhering to academic core values. (Waring 2013) All in all, Waring (ibid.) sees implementing HRM in university settings as problematic and conflicting with traditional higher education values. Even though he points out that the need for the transformation to more business-like management in higher education is understandable, he still feels that the current way of implementation is in conflict between academic values (e.g. freedom to pursue research) and budgets, performance monitoring, and efficiency and effectiveness criteria.

1.3 Research objectives

The aim of this study is to understand how case university employees perceive objective discussions and performance appraisal, and which factors influence these perceptions. Bowen and Ostroff (2004) have suggested that to enhance the likelihood of employees interpreting the messages conveyed by HRM in a uniform manner, employees should perceive HRM as being distinctive, consistent, and consensual. Following Bowen and Ostroff's aforementioned theoretical framework, I will look into how individual case university employees perceive the given HRM process through the three basic process features and five of their nine metafeatures of a strong HRM system. These features are introduced more profoundly in the theoretical framework of the study in Chapter 2. This study is an attempt to examine whether the employee perceptions of an HRM process seem to result in a strong organizational situation. It is also an attempt to empirically examine, which factors influence these perceptions. Therefore, this study answers to the calls for further research introduced in the previous subchapter.

The study follows the aforementioned theoretical framework with the exception of one fundamental difference. The theory refers to the HRM system as a whole, but the focus on this thesis will be on an individual practice. This makes sense, because in reality, the HRM system cannot be defined to be a uniform construct, but a construct of many different practices designed for different needs and purposes. (Sumelius et.al. 2014)

Precisely this type of a study has not been, at least to my knowledge, done in the university context before, at least not in Finland. It can therefore be seen as necessary. In addition to filling out this research gap, the results of this thesis, and their relevance to the case organization, support the significance of and the need for this thesis. As said, the results of the study might also be significant to HRM in other universities in Finland, as well as in Europe and the world, as the organizational culture in universities throughout the world has, during the past few decades, shifted from the traditional Humboldtian university culture to a more entrepreneurial, competitive, and target-oriented university culture. As Sumelius et. al. (2014) have defined in their similar study: "the value […] lies in the identification of steps that can be taken to increase the likelihood that HRM practices are perceived positively and as intended by the organization".

The research questions are:

What are the individual employee perceptions of the distinctiveness, consistency, and consensus of performance appraisal in university settings, and which factors influence these perceptions?

and

Do these individual employee perceptions amount to common sensemaking, creating a strong organizational climate in the case university?

1.4 Structure of the study

This subchapter briefly describes the structure of this study. The study is built on five chapters, all of which serve a specific purpose. The present chapter, Chapter 1, forms the basis for the study, with a thorough introduction to the subject. The structure of the next four chapters are briefly introduced in the next few paragraphs.

The theoretical framework in Chapter 2 starts with the aspects and characteristics of performance appraisal. This subchapter first looks into the *what* and *how* of performance appraisal, after which I will continue to a literature review on HRM, especially performance appraisal, in academic settings, and employee perceptions of the performance appraisal process.

After this, in the second part of Chapter 2, the focus then shifts to performance appraisal in practice, as I introduce the outlines of Bowen and Ostroff's study (2004), and attempt to describe its aspects and characteristics with the focus being specifically on performance appraisal. This sub-chapter starts with defining the HRM process, and then moves on to discuss the role of organizational climate as a mediator in the HRM – firm performance relationship. This is followed by an introduction of the concept of strength in the HRM system. Finally, I will have a look into the consequences of strong and weak HRM systems.

Chapter 3 introduces the methodology used in this thesis, after which the findings are presented in Chapter 4. The thesis draws to an end with Chapter 5, which is dedicated to final discussion about the findings.

2 THEORETICAL FRAMEWORK

This study aims at shedding light to the employee perceptions of performance appraisal in university settings. The features of a strong HRM system – that is to say, the distinctiveness, consistency, and consensus – as introduced by David E. Bowen and Cheri Ostroff, play a big role in this study. Therefore, they also play a big role, when considering the framework for this study.

As already mentioned, the theoretical framework of this thesis consists of two main topics. The first part of this chapter discusses performance appraisal, which is the specific HRM process studied in this thesis. First, the characteristics of performance appraisal are introduced; that is, the process itself and its aim, ownership, and problems. Then the study looks into performance appraisal in university settings, as well as previous studies done about the employee perceptions of the process.

The second topic is the strength of an HRM system, which will be discussed in sub-chapter 2.2. This sub-chapter defines the characteristics and consequences of a strong HRM system. The concepts of HRM practices and organizational climate are also introduced in this sub-chapter, as well as the differences between HRM practices and content. This subchapter is mostly based on the works of Bowen and Ostroff (2004) and the characteristics of their framework, but I will attempt to describe it from the perspective of performance appraisal. This is needed to implement the theory in practice, but also to tie the two separate, yet interrelated topics together.

The chapter finishes off with a short summary, which briefly considers all the topics, which have been discussed in what has preceded in this chapter.

Next, I will briefly define three critical concepts for this thesis. First of all, it is important to understand, that the HRM practices consist of two interrelated features: the process itself, and its content. This thesis will examine HRM mostly in terms of process, leaving the content side mostly unraveled. The terms process and practice are in this thesis used interchangeably.

Another critical definition to be considered is the difference between performance appraisal and performance management. Both concepts are introduced more thoroughly in the next subchapter, but a brief summary is in order. Sumelius et. al. (2014, 3) put it, “performance management refers to the array of activities designed to improve employee performance". Performance appraisal, on the other hand, refers to evaluating an employee's current and/or past performance that correspond to his or her performance standards (Dessler 2004, 192). Sumelius et.al. (2014, 3), citing DeNisi and Pritchard (2006, 254), add that performance appraisal means the "discrete, formal, organizationally sanctioned event, usually not occurring more frequently than once or twice a year, which has clearly stated performance dimensions and/or criteria that are used in the evaluation process".

Finally, in the case university, the main process is called 'objective discussions', which includes 'performance appraisal' as one of the subprocesses. In literature, it is the other way around - the concept of performance appraisal includes discussions, together with appraisal tools, methods etc. For the sake of simplicity, in this thesis, the whole concept is considered solely as 'performance appraisal'. This concept considers the objective discussions to be one separate component of the big picture.

2.1 Performance appraisal

Performance management can be defined in two ways. First, performance management can be viewed as something happening on the organizational level. (Virtanen & Stenvall 2010, 230) It can refer to e.g. management-by-results, which points to the steering relations between the universities and the Ministry of Education and Culture. On the organizational level, it can also be affiliated with universities' inner decision-making and power relations. (Kallio 2014, 69) Performance management can also be seen as something happening on the individual level. This refers to managing competence, skills, and work performance as a part of career development. In short, this includes everything that between the employees and their supervisors has to do with defining performance, appraising performance, and giving feedback. (Virtanen & Stenvall 2010, 230)

Performance management refers to the whole, integrated process of setting goals, training employees, and then appraising and rewarding them (Dessler 2004, 192-194). The process in total includes four elements, which are setting objectives, follow-up/training, feedback, and development (Sydänmaanlakka 2000, 76). Performance appraisal therefore includes all the organization's activities that have been designed to improve employee performance (Sumelius et.al. 2014, 3). Performance management is the process, which helps organizations to ensure not only that all employees are working toward the organizational objectives, but also that employees' skills and capabilities are developed accordingly, and employees are then also rewarded accordingly (Dessler 2004, 192 – 194). Performance management is all about how the supervisor can on his or her part ensure such conditions that allow the employee to succeed. Overall, it means that the individual, team, and the whole organization all know what the organization's purpose and key objectives are, which skills and knowledge are necessary, and how the feedback system functions. (Kauhanen 2010, 54) As Dessler (2012, 213) sums up, performance management, when

> *"[s]tripped to its essentials, (…) always involves (1) setting work standards, (2) assessing the employee's actual performance relative to those standards, and (3) providing feedback to the employee with the aim of helping him or her to eliminate performance deficiencies or to continue to perform above par".*

Dessler's second point (assessing the employee's actual performance relative to the work standards - above) brings us to performance **appraisal**, which, on the other hand, refers to the evaluation process of an employee's current and/or past performance corresponding to his or her performance standards (Dessler 2004, 192). Sumelius et.al. (2014, 3) citing DeNisi & Pritchard (2006), define performance appraisal to be the "discrete, formal, organizationally sanctioned event, usually not occurring more frequently than once or twice a year, which has clearly stated performance dimensions and/or criteria that are used in the evaluation process".

The concepts of performance management and performance appraisal seem to be used somewhat interchangeably at least in some HRM related literature. The focus of this study is on the performance *appraisal* process of a Finnish university; that is to say, the discrete, formal, and organizationally sanctioned event that takes place a few times a year. The concept, and thus the theoretical framework of the study, excludes issues that are vital in performance *management*, e.g. employee training and incentive systems.

In the case university, the main process is 'objective discussions', which includes 'performance appraisal' as one of the subprocesses. The objective discussions are held mainly once a year, usually in springtime. More informal mid-year reviews in the fall are recommended, but in reality, many units disregard them, and stick to one set of discussion rounds per year. In the literature, it is the other way around - the concept of performance appraisal includes discussions, together with appraisal tools, methods etc. This is why, throughout this thesis, the main concept used is **performance appraisal** as a whole, which considers the discussions as one part of the big picture.

2.1.1 Characteristics of performance appraisal

Performance appraisal is among the key HRM processes (Kauhanen 2010; Sumelius et.al. 2014; Sydänmaanlakka 2000). It can be seen as a strategic process, as it is among one of the most "human capital-enhancing practices" in the field of HRM, because of its construction that links individual and strategic business objectives and aligns interests and attitudes. On the other hand, it can also be viewed as a tactical process, because it contributes to numerous HR-related decisions and practices (e.g. pay and promotion). (Sumelius et.al. 2014)

Typically, the performance appraisal process has two functions: the evaluative and the developmental function. The prior function includes the use for the process of e.g. salary-related issues, decisions on promotions or termination, and recognition of individual performance, both satisfactory and poor. These are all characteristics that take place between people. The latter function, in turn, includes providing feedback, recognizing strengths and weaknesses, identifying the need for training, and determining transfers – all are therefore within-person decisions. (Boswell & Boudreau 2000, 284)

The aim of performance appraisal is to evaluate the current levels of performance, assess them against the desired levels, and therefore to enhance performance, add value and contribute to objective attainment. Regular performance appraisal reviews aim to audit performance, and to motivate employees to perform even better (Foot & Hook 2011, 252 – 254). Appraisals can provide an opportunity to discuss issues such as promotion or under-performance (Egginton 2010, 125). Appraisals, which are done regularly, e.g. once a year, document an assessment of an employee's performance, potential, and development needs (Foot & Hook 2011, 259). The appraisal process can be seen as an opportunity to take an overall view of e.g. work content and achievements, as well as agree on objectives for the next period, but it is also a useful tool for identifying poor performance already at an early stage (ibid., 252 – 254). In short, performance appraisal is one way of giving feedback to employees.

Dessler (2004, 196) defines three reasons for performance appraisal. First of all, appraisals provide relevant information about which promotions and/or salary raises to make. Second, the appraisal process is an excellent method for reviewing performance in order to both reinforce appropriate performance, and to correct any deficiencies an employee might face. Last, appraisals are a useful career-planning tool, as career plans can be reviewed in relation to exhibited strengths or weaknesses. Randall et.al. (Foot & Hook 2011, 260) have suggested three main uses for performance appraisal, which are performance, potential, and rewards. This means, that organizations may not wish to assess just past performance, but the appraisal process can also play a role in identifying potential for future roles, and in allocating rewards.

2.1.1.1 The role of objective setting in performance appraisal

Foot and Hook (2011, 261) define two approaches to appraising performance. The first one is concerned with employee outputs. This means objectives and targets for the employees to work towards. The other approach considers employee inputs. This means examining the contributions that employees make to the organization, and determining the level of competence, that the employee must achieve in their job. Either way, some kind of rating mechanism must be agreed upon.

Employees are usually appraised based on how they performed with respect to attaining the specific objectives, by which they are to be measured (Dessler 2004, 194). This means, that objective setting plays a very critical role in performance appraisal. It is important, that each employee sees his or her work in connection to a more ample entity, and how the meaning of each employee’s job is related to the whole organization’s meaning. This requires being familiar with the organization’s vision, and with the unit’s objectives. The next requirement is being familiar with one’s own key tasks and the know-how they require. The last necessary prerequisites are clear objectives and firm commitment to them. (Sydänmaanlakka 2000, 81) It is the supervisor’s duty to ensure that employee’s goals and performance standards are in line with the organization’s broader goals (Dessler 2004, 194). This is the only way to achieve high performance (Sydänmaanlakka 2000, 81).

As described, the objective setting starts from the organization level (vision, which is guided by mission and values), which guides the objectives for the lower levels. Lower levels may be numerous, for example corporation, department, unit, team, and individual levels. (Kauhanen 2010, 55 – 58) The criteria for sufficient objective setting has been widely defined in the literature as the SMART-criteria, which refers to objectives being **S**pecific, and clearly stating the desired results; **M**easurable, and answering to the question How much?; **A**ttainable; **R**elevant, and clearly derived from what the manager and company want to achieve; **T**imely, and reflecting deadlines and milestones. (e.g. Dessler 2004; Kauhanen 2010) According to findings by Locke and Latham (Kauhanen 2010, 61), clear and challenging objectives typically lead to better results than modest or vague objectives.

2.1.1.2 The appraisal process

Evaluation techniques of the current level performance vary. Individuals can be assessed against their objectives by using at least two different approaches. First of all, development reviews or performance appraisal interviews may be conducted. (Foot & Hook 2011, 252 – 254) For the sake of simplicity, I refer to such reviews by the term 'performance appraisal discussions'. The fact that the literature recognizes such discussion with various terms, justifies the decision of using just one concept. The second approach uses also complaints and error reports as ways of assessment. (ibid.)

It is also important to define the level of performance employees are aiming at: is a satisfactory level sufficient enough, or do employees need to aim for higher performance in order to increase the value of the organization. Foot and Hook (2011, 252 – 254) also point out, that the objective could also be "to transform performance levels by encouraging and enabling increasingly new or innovative ways of working".

Kauhanen (2010, 55) has listed five aspects that influence employee performance. Performance is contingent not only on personal factors (know-how, motivation, commitment), but also on leadership (support, guidance) and team level (the know-how and support of team members) factors. In addition, the fact that the work contents have been organized in a reasonable way, makes a difference. In addition to these, also situational factors play a role in influencing employee performance. This refers to internal as well as external change and pressure. Kauhanen (ibid.) points out, that much too often performance is appraised solely through the personal factors, leaving the role of the others factors at a marginal level.

Sydänmaanlakka (2000, 111) emphasizes that, in a good performance appraisal system, excellent performance should be rewarded, but poor performance should not be allowed in the long run. Rewarding does not necessarily mean monetary compensation (ibid.), but might as well refer to, for example, career advancement possibilities, flexibility in working times, training possibilities, employment stability, and employer appreciation (Virtanen & Stenvall 2010, 234).

Should the performance fall behind the objective level, the reasons behind the weakened performance need to be evaluated. The reasons could, for example, be poor work processes, change in working conditions, insufficient supervisor support, or objectives that are impossible to reach. (Kauhanen 2010, 72). It is important to note, that poor performance does not always refer to a low level of motivation, but it may just as well be a question of lack of training or inadequate objectives (Dessler 2004).

2.1.1.3 The divided ownership

HRM plays a critical role in the performance appraisal process. Its responsibility as a process owner is to offer support and develop relevant tools. However, the process ownership is divided between HRM and the supervisors, with the supervisors playing an equally important role in the process. Besides these two actors, the importance of the individuals' role also needs to be emphasized. (Sydänmaanlakka 2000, 77) Foot and Hook (2011, 250) argue that the performance appraisal process should be shared "between managers, individuals and teams in which objectives are agreed on and jointly reviewed and in which corporate, individual and team objectives are integrated. All should feel ownership of the process and share a complete understanding of the system."

Even though shared responsibility is much emphasized, the role of the supervisor is nevertheless at the very heart of most appraisal processes. This makes sense, since the supervisor is usually best aware of the employee's performance. (Dessler 2010, 196 – 197) It is vital, that supervisors are properly trained for the task. They are required to have in-depth understanding of the process, instead of just perceiving it as "an exercise completed once a year where they tick boxes to satisfy the whims of the HR department", but instead as "continuous coaching and feedback which will make a difference to improving performance" (Foot & Hook 2011, 258).

Giving feedback is by no means easy, so performance appraisals require a lot from supervisors. Feedback on both positive and negative aspects is required. The leadership skills of supervisors will influence how he or she provides feedback, in addition to how he or she receives feedback from employees. (Virtanen & Stenvall 2010, 232)

However, it is not wise to rely solely on the supervisor, as he/she might, for example, be biased or have polemical relations with the employee. The supervisor might lack understanding of how other people, such as customers or colleagues, would evaluate the employee's performance. This is why Dessler (2010, 196 – 197) introduces other relevant solutions, such as peer review, self-ratings, or appraisals by subordinates, which can be exploited besides supervisor appraisals.

2.1.1.4 Performance appraisal problems

The performance appraisal process does not seem to be very complex as such, but in reality, it does face many problems. As Virtanen and Stenvall (2010, 235) point out, the process in practice is rarely as straightforward as it has been described above. Literature recognizes numerous problems, that disturb the straightforward appraisal process, of which I have, in what follows, outlined a few of the central ones, as described by Foot and Hook (2011) and Dessler (2010).

One fundamental challenge, that performance appraisal may face, is unclarity. This refers to two things. It may refer to the appraisal scale being too ambiguous and too open for interpretation. For example, supervisors can define 'good' differently. The best way to yield this problem would be to develop such a performance appraisal system that unambiguously describes each trait. (Dessler 2010, 207-208) Second, the unclear situation may also refer to the organization not being clear enough about the purpose of the appraisal system. This may lead to a situation, where the system could be designed to fulfill too many different purposes. (Foot & Hook 2011, 262) The organization should therefore pay special attention to designing the appraisal system in order to avoid ambiguity.

Another challenge regards rating employees. Dessler (2010, 207 – 208) describes three different problems that need to be considered: the halo effect, central tendency, and leniency/strictness. The halo effect refers to a situation, where rating an employee on one trait influences the way the person is rated on other traits. Dessler (ibid.) mentions the traits “gets along with others” and “quantity of work” in his example, where he explains that an unfriendly employee could receive low ratings also for other traits than “gets along with others”, just for the sake of his or her personality. This is a challenge, as being unfriendly naturally does not mean, that the employee, in other tasks, performs in an unsatisfactory way. Already awareness of this problem is a big step towards avoiding it (Dessler 2010, 207 – 208). Central tendency refers to the supervisor rating all employees about average, whereas leniency or strictness refers to a supervisor rating all employees consistently high or low. Dessler (ibid.) suggests ranking employees in order to avoid these challenges, as ranking forces supervisors to distinguish between high and low performers.

Supervisors must be careful in order not to let the employee’s character affect appraisal. Supervisors cannot be biased, meaning they cannot let individual differences like age, sex, race (Dessler 2010, 207 – 208), or personality (Foot & Hook 2011, 262) affect the evaluations. Each individual must be rated objectively, and the focus needs to be on the aspects of the job, not the employee’s character. In addition, another important issue is that the appraisal discussion cannot be used as a disciplinary process, as this should be an opportunity to motivate employees, not discipline them. Disciplinary matters should, in any case, be attended to directly upon their occurrence, not in a once-a-year appraisal discussion many months after the incident. (ibid., 265) Overall, the discussions and ratings should be very transparent, and refrain from withholding information from the employee. When the aim of the discussion is to enhance the employee’s performance, it is crucial that they are aware of all judgements and feedback that is available. (ibid., 264).

A very fundamental challenge affecting performance appraisal discussions is the possible linkage with pay. This may prevent “open discussion of problems or areas of discussions where improvement could be made” (Foot & Hook 2011, 262). This is of course not desirable, since improvement of performance is one of the key aspects in appraisal discussions. One solution to avoid this problem would be to arrange appraisal discussions separate from the discussions that have to do with pay. This is nevertheless a crucial threat that supervisors must be aware of. (ibid.)

Last, but not least, the supervisors may themselves cause problems to the appraisal discussions, due to their problematic attitudes or lack of experience. They can see the appraisal process as something very time-consuming, and claim that they have “enough in their hands without also having to fill out some forms" (Foot & Hook 2011, 267). Supervisors may have such attitudes towards the appraisal process that it is " 'divorced' from the realities of 'business cycle' " (ibid.). Supervisors may also find providing feedback very uncomfortable and challenging. The answer to this challenge is that, as suggested before, supervisors must be properly trained for the task. This is very crucial in order to avoid many problems.

2.1.2 Performance appraisal in university context

Higher education institutions have traditionally been independent institutions, where the academic staff has been able to enjoy high levels of independence and autonomy, without having to occupy themselves with commercial responsibility and accountability. The academic staff has also been able to maintain themselves comparatively "free from any sense of management" (Egginton 2010). As has been discussed earlier in the previous chapter, times have changed during the past few decades, and demand on HEI's about e.g. quality and efficiency, as well as the expectations of students and other customers, have been continuously increasing. This has led to new HR approaches, such as performance appraisal, in the academic context. (ibid.)

Performance management is becoming one of the key strategic HRM practices also in the university context. Attracting and retaining talent is one of the top priorities in universities, as competition can be harsh – and universities are not the only employers competing for high-achievers. (van den Brink et.al. 2013) Performance management therefore plays a large strategic role, and the role is "reinforced by the trend of universities switching from a collegial to a managerial model" (ibid.). In the managerial model, the old collegiality of academics is replaced by a new approach to evaluating performance. This new approach has by van den Brink et.al (2013, 181) been described to be "seemingly more objective, fair, and transparent".

Embedding performance management and appraisal in the university context can be a cultural challenge (Egginton 2010, 128). In his article, Matthew Waring (2013) criticizes human resource management in the academic context. He argues, for example, that HRM does not completely fit into "the academic environment once characterized by democratic and collegiate values, including academic freedom". He also argues, that performance appraisal in university settings can be perceived as something in which "academics are required to agree on quantifiable, or SMART, targets in line with corporate objectives for teaching, research and income generation" (ibid., 399). He sees that such an approach presents a major challenge to the core values of the academic community.

HRM has been criticized to be "a Foucaldian control mechanism employing disciplinary and self-disciplinary techniques" (Waring 2013, 401). Such mechanisms, e.g. performance appraisal, see employees as a "depersonalized unit of economic resource whose productivity and performance must constantly be measured and enhanced" (ibid., citing Shore & Wright 2000), and such resources are eliminated, when they are no longer seen to add value to the organization.

All in all, Waring (2013) sees implementing HRM in university settings as problematic and conflicting with traditional higher education values. Even though he points out, that the need for the transformation to more business-like management in higher education is understandable, he still feels, that the current way of implementation is a conflict between academic values (e.g. freedom to pursue research) and budgets, performance monitoring, and efficiency and effectiveness criteria. He even argues, that while aiming to be efficient and cost-effective, universities have developed monitoring systems, that would have been familiar to Frederick Taylor (ibid., 404).

2.1.3 Employee perceptions of performance appraisal

Employee perceptions of performance appraisal have been studied a lot. Recently, the social and motivational context has dominated research over the more technical and process-related aspects of appraisal. This is only natural, as the quality of the appraisal techniques make little difference, if appraisers and appraisees are unsatisfied with, and uncommitted to, the appraisal. (Chmiel 2008, 85) Scholars have demonstrated how performance appraisal perceptions relate to e.g. increased trust for management, justice, and job satisfaction. Already the process itself, and how it is used, is said to have a lot of influence on employee attitudes towards their supervisor, job, and the appraisal process itself. (Boswell & Boudreau 2000, 283).

Over 80 percent of British organizations have expressed dissatisfaction towards performance appraisal systems. Moreover, in the US, 15 percent of supervisors have claimed, that they would rather go to the dentist, than conduct an appraisal. It seems, that the fundamental reason behind the dissatisfaction, was the employee perception of failure to attain the goals, which were set for them by the organization. Some organizations have started calling the process with different names, thus trying to shift the focus to a more forward-looking process and deducting the "retrospective assessment element" (Fletcher 2004). However, as Fletcher (ibid., 1) points out, it takes more than a name change to change employee perceptions.

A fundamental problem with performance appraisal is the conflict between the assessment and the motivational functions of the appraisal process, which, in turn, is linked to four other aspects of the situation: quality of assessment, communication, implication for rewards, and the personal agenda of the participants. The quality refers to employee perceptions of an unjust or biased appraiser, whereas communication refers to the appraiser's reluctance or difficulty to communicate a critical evaluation, especially since critique may lead to decreased motivation and performance. Implications for rewards may cause difficulty, as studies have shown, that a direct link between performance and rewards may also result in decreased performance. For example, an employee does not receive a reward due to his/her insufficient level of performance. If the employee's perception of the fairness of the process was already at stake, this will plausibly lead to negative reactions. Finally, the personal motives of both appraisers and appraisees may affect the outcome of the appraisal process. For example, an appraisee might be eager to receive feedback from the supervisor – but the motive behind this could be the eagerness to give his/her side of the story and correct the unwarranted criticism. (Chmiel 2008, 85 – 89)

Boswell and Boudreau (2000) have studied how the perceptions of performance appraisal use relate to employee satisfaction. They found that the perceived developmental use of the process, such as indicating strengths or weaknesses, and determining the need for training, could be positively associated with employee satisfaction, as well as satisfaction with the appraiser. This finding supports also prior findings in the field of the importance of the developmental side of performance appraisal. It is needed in order to support the development of employees, but also because it has "a direct influence on employee attitudes" (Boswell & Boudreau 2000, 289). However, the perceived evaluative use indicated a slightly positive, yet a "nonsignificant, bivariate relationship with the attitudinal variables" (ibid., 287). This aspect therefore was not as clear in the findings as the developmental aspect. Overall, the study pointed out the positive relationship between employee attitudes and procedural justice, which emphasizes the importance of fairness in employee perceptions.

Mayer and Davis's (1999) research focuses on a performance appraisal system before and after the system was renewed. Before the renewal of the process, trust for top management was low and the performance appraisal system was perceived to be inaccurate. The implementation of a more acceptable appraisal system, however, increased the trust for top management significantly. The study was a longitudinal study of 14 months, and the rise in the level of trust occurred in nine months' time.

Berrin Erdogan (2002) has done research on antecedents and consequences of justice perceptions in the performance appraisal context. He lists the antecedents of justice perceptions to include, for example, organizational culture, the quality of employee – supervisor relations before the appraisal, and perceived organizational support. The consequences of the process can be defined into three groups: consequences that are organization-related (e.g. organizational commitment and turnover intentions), leader-related (e.g. satisfaction with the supervisor), and performance-related (for example motivational outcomes and accountability). (ibid. 559 -571)

Kuvaas's (2008) research aimed to examine whether and how the quality of employee-organization relations influence the relations between HRM and employee outcomes. He found out, that quality of employee-organization relations may be pivotal in the relationship between performance and HRM. This means the success or failure of HRM depends on the employee-organization relationship quality. A positive relationship, according to Kuvaas's study, seemed to be necessary in order for the HRM processes to affect performance in a positive way. (ibid.)

Sumelius et.al. (2014) examined which factors influence employee perceptions of the visibility, validity, and procedural and distributive justice of performance appraisal, and on which level – individual, relationship, or unit – do the influences occur. They found four influences that occurred on all of the four process features; with two of them occurring on the unit level, and the other two on the relationship level. The first two were top management internationalization of performance appraisal, and the formal system design, the latter two were supervisor capability and/or commitment, and the attitudes of colleagues. Interestingly, the individual-level influences did not affect perceptions in this study.

Gabris and Ihrke (2001) had a slightly different approach to research on employee perceptions about performance appraisal, when they sought to shed light onto whether performance appraisals contribute to heightened levels of employee burnout. They also explored the relationship between perceptions of performance appraisal and job satisfaction. Basing their research on the argument, that many employees have anxiety and even fear towards performance evaluations, they were interested to find out whether there could be a connection between employee burnout. They found out, that when the employee perceptions of the performance appraisal process are instrumentally valid, and procedurally and distributively just, the likelihood of high job satisfaction increases. In the research, job satisfaction seemed to serve as an intervening variable between the performance appraisal perceptions and burnout. However, the evidence was modest, as especially the perceptions of the process validity could not be significantly related to burnout. The perceptions of distributive and procedural justice in relation to burnout were much higher. An explanation for this may be, that lack of fairness (or at least employee perceptions of it) increases anxiety, which may lead to e.g. distrust in management, and decreased levels of motivation etc., which, in the end, may escalate to increased levels of burnout.

2.2 The strength of HRM – how HRM contributes to organizational performance

The link between HRM practices and firm performance has been researched a lot. As Delaney and Huselid (1996) put it, "it has been long and widely asserted that people are the preeminent organizational resource and the key to achieving outstanding performance". Before the early 1990's, this argument was mostly "a question of faith" (ibid.). Since then, a growing number of research made on the subject show results to support the argument. For example, Wright et.al. demonstrated, that HR can always be a potential source of sustained competitive advantage, because human resources "meet the criteria of being valuable, rare, inimitable, and nonsubstitutable" (Wright et. al. 1993, 28). Pfeffer (1994) argued, that even though "traditional sources of success" (e.g. product technology) provide competitive advantage, *people* with relevant skills play a big role in achieving competitive success, and Delaney and Huselid (1996) found a positive relationship between perceptual firm performance measures and HRM.

However, Bowen and Ostroff (2004) pointed out, that the bigger question that has been left unanswered, is the question of *how* do the HRM practices contribute to firm performance, and argued that employee perceptions of specific process features play a leading role in understanding this. In what follows, I will introduce the framework they developed for understanding how exactly can HRM practices, as a system, contribute to firm performance by motivating employees to adopt desired attitudes and behaviors that, in the collective, help achieve the organization's strategic goals.

It is important to note, that as Bowen and Ostroff's framework has been developed to increase firm performance, it might not perfectly answer to the needs, requirements, and characteristics of universities. As has been described in the previous introduction chapter, the academic community does differ quite radically from the market-driven firms in the private sector, even if the nature of academia has gradually shifted towards a more entrepreneurial and competitive organizational culture. However, as can be seen from the more detailed introduction of the theory below, the features and metafeatures of Bowen and Ostroff's framework are quite general, and it is likely, that they can be applied to the academic context as well. This, however, has not, according to my knowledge, been studied in previous research, and this study might therefore be able to shed some light onto whether the framework would just as well work in diverse organizational settings.

2.2.1 HRM content and process

First, it is important to underline the difference between the two interrelated features of an HRM system – the content and the process. The content of an HRM system refers to the individual practices and policies through which organizations can achieve their objectives (Katou et. al. 2014); for example, practices that promote e.g. innovation or autonomy (Bowen & Ostroff 2004, 206). The content means the adopted set of practices, which are driven by the organization's strategic goals and values. This, in practice, means, that when an organization is striving to meet its objectives and goals, it should change or modify its HRM system in order to help the employees in reaching these given goals. Content is effective, when HRM practices are designed around the strategic goals. (ibid.)

Bowen and Ostroff were among the first researchers to criticize the one-sided focus of the content-based HRM approach to explaining performance (Sanders et.al. 2014), and claimed, that also the role of the HRM processes should be taken into consideration. The HRM processes or practices are harder to define. They can be seen as signaling systems through which the organization communicates desired behaviors to its employees (Bowen & Ostroff

2004), and they refer to “the way HR policies and practices are communicated to employees” (Katou et. al. 2014). The process-based approach emphasizes the importance of the psychological processes through which employees perceive HRM, when explaining the relationship between HRM and organizational performance. The outcomes of HRM might vary between individuals or throughout the organization, if employees cannot understand HRM in the way it was meant by the management. (Sanders & Yang 2015)

HRM processes in firms have been studied quite extensively, but it is still fairly difficult to define the perfect set of practices for certain strategic goals. On the contrary - Bowen and Ostroff (2004, 206), citing Delery and Doty (1996), point out, that different sets of practices can be equally as effective as others, as long as they take into consideration the specific organizational climate. Sumelius et al. (2014, 2) refer to the fairly recent initial studies of HRM process theorization done by many scholars, e.g. Ehrnrooth and Björkman (2012) and Sanders, Dorenbosch, and de Reuver (2008), which have indicated promising findings of the usefulness of HRM process theorization.

It is important, however, to note, that even though HRM process theorization refers to the HRM systems as a whole (Sumelius et. al. 2014, 2), this, in reality, is hardly ever the case, as the HRM systems consist of many, individual practices. The HRM system thus is not a homogenous construct, but quite on the contrary - different practices answer to different purposes (ibid.).

It is also important to note, that even though HRM processes in firms have been studied extensively, HRM in university settings has still been quite underresearched, as has been stated in the previous chapter. In this study, it is presumed, that HRM in universities follows the characteristics of those in firms. This notion can be supported by the gradual transformation to an entrepreneurial university. Also, HRM is probably among one of the university support functions that are most likely comparable to similar functions in firms. In fact, the Dean of the case university faculty has once indeed claimed, that personnel services in a university are very similar to those in any given organization. He also argued that the faculty in question could be compared to any given division in a multinational corporation, and similarly HRM in universities is parallel to HRM in such divisions. (HR Forum 2016) It is therefore justified to assimilate the university human resource management to all HRM.

As said, firm performance linkages have been studied a lot. Wright and Nishii (2007) have illustrated a basic process, which must take place for organizational processes to have an impact on organizational performance. This model simplifies HRM practices by assuming there is only one type of HRM practice for each personnel group in the organization, even though, in reality, practices are often differentially designed to better serve the needs of different personnel groups. Wright & Nishii (ibid.) recognize that the model lacks perfection in this aspect, but this approach was nevertheless chosen because it, as said, simplifies understanding it.

The basic process model of HRM is presented in Figure 1. As Wright and Nishii (2007, 9) point out:

> *"the components of this model illustrate that the focal relationship of interest in SHRM [strategic HRM] research – the HRM practices to performance link – spans multiple levels of analysis, with important variance occurring at each of those levels."*

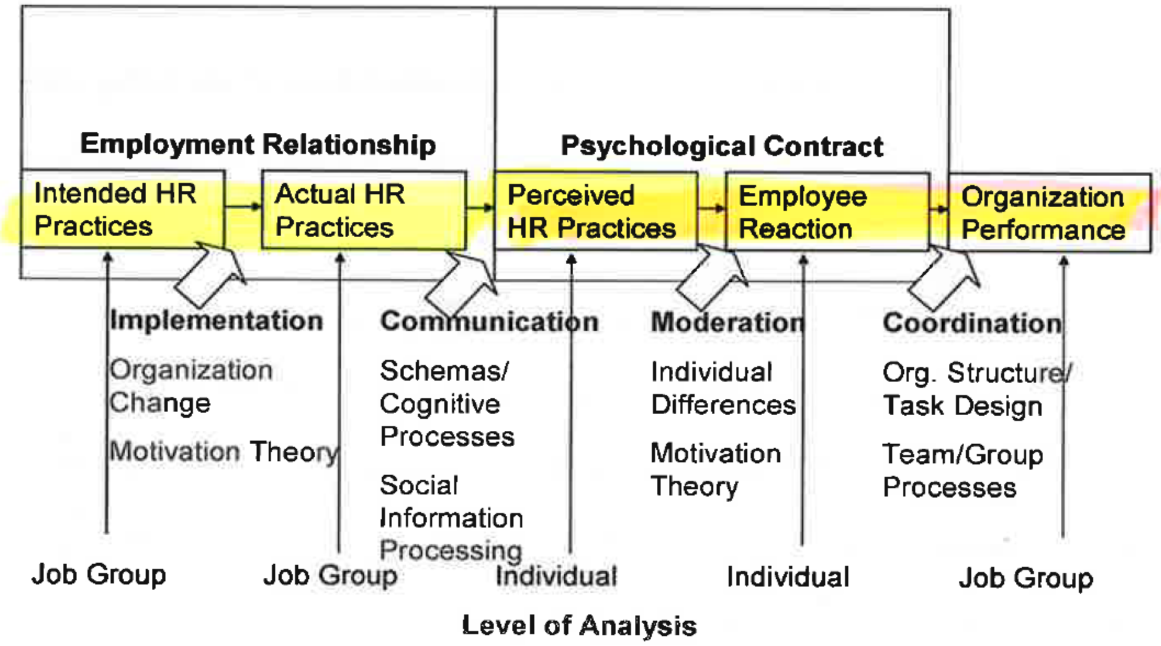

Figure 1: Process Model of SHRM

(Wright & Nishii 2007, 10)

2.2.2 Organizational climate

Organizational culture and climate are reminiscent concepts, but they do differ from each other. In this study, the concept of organizational climate is preferred over organizational culture. In this subchapter, I will describe the profound differences between the two concepts, and also argue why such a decision of preference has been made.

Organizational culture can be defined in two ways. The first approach is more descriptive and exploratory, and views culture as something that the organization *is*; that is, the deep structures of organizations. The second approach views culture as something the organization *has*. This approach has more similarities with organizational climate. It sees organizational culture as “a system of shared meanings, assumptions, and underlying values”. (Reichers & Schneider 2011, 116). Organizational assumptions and values shape HRM practices, which, consecutively, fortify cultural norms and routines. Stronger norms and culture can then shape both individual and firm performance (Bowen & Ostroff 2004, 205).

Organizational climate is a shared perception of both formal and informal policies, procedures, and practices (Bowen & Ostroff 2004; Reichers & Schneider 2011). In short, it is the shared perception of “the way things are around here” (Reichers & Schneider 2011, 116), or something “that is felt” (Mullins 2010, 748).

Organizational culture and organizational climate are very close to each other conceptually, as they both share the definition of “something the organization has” (Reichers & Schneider 2011, 118). The focus in climate is just more through its perceivers. Reichers and Schneider (2011, 118) actually argue, that the concepts are nearly identical, and that climate can “most accurately be understood as a manifestation of culture” (ibid.). However, there is a slight difference between the two concepts: organizational culture can be defined as “how things are done around here”, but organizational climate, on the other hand, refers more to “how it feels to work around here” (Mullins 2010, 748). Organizational climate, compared to organizational culture, can therefore be defined as a more unstable structure, which is easier to change.

The focus of this thesis is on organizational climate rather than culture. As the attempt is to study employee perceptions, organizational climate, as something referring to how it *feels* to work around here, serves this purpose better. This decision also makes sense, when considering the case university, which, first of all, builds upon many sub-organizations (faculties), and second, is very big in size. It is therefore more probable, that instead of a one single organizational culture, different organizational climates exist in different faculties. In addition, emphasis in recent studies (e.g. Schneider, 2000, according to Bowen & Ostroff, 2004) have been on climates around strategic objectives that are aimed at boosting effectiveness.

Psychological (as individual level perceptions) and organizational (as shared perceptions) climates can both be seen as mediators between HRM practices and performance. A psychological climate refers to “an experimental-based perception of what the people ”see” and report happening to them as they make sense of their environment” (Bowen & Ostroff 2004, 205). Individual-level climates may develop into a shared organizational climate, which consecutively correlates to organizational performance. This is because the climate can support organizational sensemaking in clarifying organizational goals. (Bowen & Ostroff 2004, 205). The perception in any case includes the idea, that meaning is attached to the perceived event or thing (Reichers & Schneider 2011, 116).

The organizational climate, on the other hand, answers to the questions of what is important, and what kind of behavior is expected. This means that organizational climate is an individual or shared (Reichers & Schneider 2011, 116) perception of what the organization is and what it does. (Bowen & Ostroff 2004, 205). An organizational climate is, according to Reichers and Schneider (2011, 116) “a […] more specific construct that has a particular referent, as in the climate *for* service or the climate *for* safety”. Organizational climate is in relation to higher-level behaviors and organizational performance indicators. These indicators could measure for example financial performance, customer satisfaction, or quality. The concept of organizational climate can be seen as a critical mediating construct in the multilevel relationships between HRM and organizational performance. (Bowen & Ostroff 2004, 205) Sanders et.al. (2008) found climate strength to have a moderator – instead of mediator - effect on affective commitment, as the relationship between consistency and affective commitment was seen to be stronger, when the climate strength was high.

It is important to recognize the multidimensional nature of organizational climates. A one and only organizational climate does not necessarily exist throughout the organization, but many different climates may exist on different levels of analysis (Bowen & Ostroff 2004, 241, citing Schneider, 1990). Many studies have recently specified these climates by identifying clusters of persons, who share common perceptions (Reichers & Schneider, 2011, 117). This may mean different subclimates in different parts of the organization: departments, groups, team, etc.

According to situationism studies in social psychology, different leadership styles created different climates, which consecutively commenced to behavioral reactions and attitudes. Bowen and Ostroff (2004, 207) have explained the concept of the situation as follows:

> *"The situation, as developed in situationism, entails the psychological meaning of situations for the individual and the behavior potential of situations for the individual. The interest is not in the physical or actual situation per se, but, rather, the situation individuals "see" based on their perceptions, cognitive maps, schemata, enactments, and even behavior in the situation."*

A situation can be defined to be "strong", when it leads to all employees interpreting situations in the same way. (Bowen & Ostroff 2004, 207). In other words, "situational strength deals with the extent to which a situation induces conformity – a strong situation – or is interpreted as ambiguous – a weak situation" (ibid., citing Mischel & Peake, 1982).

When employees develop shared interpretations of the organization's policies, procedures, and goals, and develop shared perceptions about what behaviors are expected and rewarded in the organization, an organizational climate can act as a strong situation. Further, it has been noted that the more the HRM systems send strong signals about the strategic goals and the expected and supported behaviors, the more probable it is for these goals to be achieved. (Bowen & Ostroff 2004)

2.2.3 The characteristics of a strong HRM system

In their aforementioned article, Bowen and Ostroff have focused on how HRM can send unambiguous messages to employees, and thus result in a shared construction of the meaning of the situation. They assumed that certain features of the HRM system have an "important signaling capacity" (Sumelius et.al. 2014, 3), because these features can communicate to the employees what behavior is accepted, desired, and rewarded in the organization. Employees can develop shared interpretations of the performance expectations, when the messages communicated through the HRM system are clear. This leads to a strong organizational climate. The strength of the HRM system can be seen as a linking mechanism that builds shared, collective perceptions, attitudes, and behaviors among employees (Bowen & Ostroff 2004).

Bowen and Ostroff (2004, 207) proposed a set of characteristics, that allow HRM systems to create strong situations in which clear messages concerning performance expectations are sent to employees. These characteristics refer to the HRM process through which employees can receive a consistent message about the HRM content. The characteristics are based on Harold Kelley's attribution theory and covariation model from the 1960's – 1970's. The attribution theory, in short, is about people making causal explanations; it is about "how they answer questions beginning with 'why?'" (Kelley 1973, 107). The theory has to do with the information people use in making causal inferences, as well as with what they do with this information to answer causal questions. The covariation principle refers to the situation when "an effect is attributed to the one of its possible causes with which, over time, it covaries" (ibid., 108). The covariation model is about individuals making attributions about cause-effect relationships in situations, depending on the level of distinctiveness, consistency, and consensus (Bowen & Ostroff 2004,208) – that is, the three criteria of validity (Kelley 1973, 112). The distinctiveness of a situation refers to the event-effect being highly observable, consistency to the event-effect occurring alike throughout modalities and time, and consensus to the agreement among the individuals' perceptions of the event-effect relationship. (Bowen & Ostroff 2004, 208)

Bowen and Ostroff (2004) argue, that when the HRM system is high in distinctiveness, consistency, and consensus, it will create a strong influence situation in which employees can share constructions of the situation. They defined, basing their definitions on literature on message-based persuasion and social influence, nine metafeatures to be added to Kelley's (1973) covariation model and its three basic features. (Bowen & Ostroff 2004, 208)

The writers claim, that the three main features and their nine metafeatures – **distinctiveness** (*visibility, understandability, legitimacy of authority, relevance*), **consistency** (*instrumentality, validity, consistent HRM messages*), and **consensus** (*agreement among principal HRM decision makers, fairness*) – help in the emergence of a strong organizational climate, instead of idiosyncratic psychological climate perceptions. The strength of the HRM system can be illustrated in terms of its effectiveness in communicating the necessary information in order to create a strong situation. (Bowen & Ostroff 2004, 208)

In what follows, I will introduce all three basic features along with the nine metafeatures.

2.2.3.1 Distinctiveness

Distinctiveness of the situation usually points to features that, in Bowen and Ostroff's (2004) words, "allow it to stand out in the environment, thereby capturing attention and arousing interest". Distinctiveness is, as are the other criteria of validity as well, a familiar concept. It is a derivate of the word distinctive, which can be defined for example as follows: "characteristics of a person or thing, so distinguishing it from others" (Oxford Dictionary 2001, 257). The concept of distinctiveness can be illustrated by the four characteristics or metafeatures mentioned above: *visibility, understandability, legitimacy of authority*, and *relevance*.

Visibility, in terms of HRM practices, refers to their saliency and observability. It is an important characteristic in determining whether people attend to information, and how they cognitively organize it and make causal acknowledgements. Bowen and Ostroff (2004, 208) define this as a "basic prerequisite for interpretation involving whether an HRM practice and its component parts are disclosed to employees, affording them the opportunity for sensemaking". As Piening et.al. (2014, 548) put it, this is the degree to which employees have a clear understanding of which HR practices are offered in the organization. When striving for a strong organizational situation, the situational characteristics need to be salient and visible throughout the organization and its employees. Visibility is likely to be higher, when HRM practices affect larger numbers of employees. Expanding the number and range of HRM practices should indeed enhance salience and visibility. (Bowen & Ostroff 2004, 208) This is because it increases complexity and allows the practices to be more figurative compared to other stimuli –features which are principles of salience. It is also important to note, that shared meanings cannot be brought to life, unless employees can perceive the same practices. (ibid., 208)

In the performance appraisal context, visibility refers to employees having a clear understanding of the process. It may also refer to openness, which is the degree of to which peers discuss themselves the performance appraisals they have been given by their supervisors. When appraisal visibility is high, supervisors may experience more pressure for the appraisal process, as they know employees will be sharing ratings among themselves. This may lead to unwanted perceptions such as supervisor's perceived favoritism, or situations where the supervisor does not only need to justify the poor performance of an employee, but s/he also needs to justify why peers may have received different ratings. (Fried et.al. 1999, 434 – 435)

The second metafeature of distinctiveness is *understandability*, which in the HRM practice content refers to a lack of ambiguity and comprehensiveness (Bowen & Ostroff 2004, 208). This refers to the degree to which the content and functioning of the HRM practices are clear to the employees (Piening et.al. 2014, 548). According to Bowen and Ostroff (2004), Chester Barnard has already in the 1930's argued, that organizational communication, that cannot be comprehended, will not gain authority (Bowen & Ostroff 2004). Situation features bring about cognitive categories, such as schemas, scripts, or cognitive maps, which can either draw attention to or from others. Profound differences exist in categorization between individuals and in different situations, and especially when the situation is unclear, there might be many different categorizations. Bowen and Ostroff mention as an example, that employees must understand how an HRM practice works, in order to avoid multiple interpretations of the practice. (Bowen & Ostroff 2004, 208)

In the performance appraisal context, employees must have a clear understanding of how the process in the organization works: for example, what are the outcome expectations, who play key roles in the process, and how outcomes should be documented. There needs to be understanding of characteristics of the process in order to avoid many different interpretations.

The third metafeature that Bowen and Ostroff (2004, 209) define as the basic feature of distinctiveness is *legitimacy of authority*. This means the degree to which the employees perceive the HRM practices to be highly accepted and credible (Piening et.al. 2014, 548). The legitimate authority of the HRM system "leads individuals to consider submitting to performance expectations as sanctioned behaviours" (Sanders et.al. 2014, 414). Influence by legitimate authority is fundamentally a perceptual process. The concept of authority is by which individuals "are willing to submit to the necessities of cooperative systems" (Bowen & Ostroff 2004, 209, citing Barnard, 1938). The HRM system can be seen as an authority, especially in the situation where the role of the HRM system is viewed to be very important in the organization. This is more probable in a situation, when e.g. the HRM system is fully supported and believed to be credible and of great importance, by the organization's top management. It plays a crucial role, however, how the message of HRM's importance is communicated and by whom. Bowen and Ostroff (2004, 209), citing Chaiken et. al. (1996), claim that communicator credibility is an important element "in attribution, persuasion, and influence attempts".

In the performance appraisal process, the legitimacy of authority has to do with whether employees perceive the process to be acceptable and credible. If the process is fully supported by the top management of the organization, it is more probable, that employee perceptions of the process are positive as well. Much depends on *how* the message is communicated top-down in the organization.

The fourth, and final, metafeature of distinctiveness is *relevance*. Relevance, together with legitimacy of authority, can be defined to be an influence that is based on a "perception of superordinate authority" (Bowen & Ostroff 2004, 209), as well as motivational significance. The relevance of the HRM process refers to "whether the situation is defined in such a way that individuals see the situation as relevant to an important goal" (Sanders et.al. 2008, 414, citing Kelman & Hamilton, 1989). This means the degree to which HRM practices can be seen to be useful, supportive, and relevant to employees (Piening et.al. 2014, 548). For a situation to be relevant according to an individual's perception, it must have three features. First, it must be relevant with regard to their important objectives; second, the desired behaviors must be clear and optimally accustomed for objective realization; and third, the influencing actors need to have personal power to influence the realization of the objectives. (Bowen & Ostroff 2004, 209) The aforementioned writers emphasize the importance of both individual and organizational objectives, because "individual goals should be fostered to align with those of the organization" (ibid.). This has relevant outcomes on both individual attitudes and behaviors, and also on effective organizational functioning. The organization should encourage employees to work in ways that not only pursue their own objectives, but simultaneously strive to meet the organization's objectives as well. An example of such could be service-based bonuses in an organizational situation where customer service is pursued. (ibid.)

In the performance appraisal context, the probability of relevance to employees increases, if the appraisal process can be perceived to be useful and supportive with regard to their individual objectives. For someone, who is, for instance, pursuing advancement in his or her career, a performance appraisal may be very relevant if the process can support attaining his or her objectives. However, the level of relevance may be much lower for someone near the end of their career, on the verge of retiring in a few years.

Relevance can also refer to a function of the perceived power by those individual agents, who help individuals attain relevant objectives (Bowen & Ostroff 2004, 210). They explain, that:

> *"[I]nfluence is based on the extent to which an agent (e.g., HRM staff member or line manager enacting HRM practices) is perceived as possessing personal capabilities and is willing to use them to aid goal achievement – separate from his or her influence based on position power and legitimate authority."*

Perceived power of the influencing agents may depend on two factors. The first one is whether the agent can create or have an impact on the necessary conditions that are needed in order to reach the relevant objectives. This requires using his or her special expertise or allocating resources, with important characteristics being unique expertise or knowledge, prestige, representativeness, and control of resources. The second factor is the perceived probability, that the actor would actually use the relevant capabilities in a way that would affect the probability of objective attainment.

Taylor and Fiske (1991) have, according to Bowen and Ostroff (2004, 210), explained the relationship between relevance and the legitimacy of the message source, and argued, that if outcomes (here e.g. goal attainment, sanctions, rewards) depend on not only the individual's actions, but on the actions of someone else as well, it will create a condition of outcome dependency. This, consecutively, will affect perceptions and attributions. When someone is outcome dependent, he or she pays more attention to the communication source or person. Also, in a situation when outcomes are especially relevant, credibility of the message source has less influence. Relevance alone seems to increase distinctiveness; "when relevance is not strongly established, legitimacy plays a greater role" (ibid.).

Distinctiveness plays a large role when examining whether the HRM messages are interpreted homogeneously throughout the employees, but distinctiveness cannot play the role alone. Without attributional principles of causation, employees cannot make correct acknowledgements about the expected behaviors from them. These principles include i.e. priority - causes come before effects - and connection with the effect - causes arise close in time to an effect. (Bowen & Ostroff 2004, 210) We will now continue with the introduction of the two other metafeatures in the next few subchapters.

2.2.3.2 Consistency

Literature on authority and influence shows, that those individuals, who should be influenced, need to perceive instrumentalities in the situations where behaviors generate rewards. The characteristics of distinctiveness ensure that the HRM system, as a whole, is seen to have an important role in defining the social context for employee behavior. The second basic feature, consistency, complements this notion with the consistent model of instrumentalities across HRM practices, time, and employees, and thus increases the probability, that certain desired behaviors are presented.

The concept of consistency is also based on the works of Harold Kelley. It can be defined to refer to effects occurring over time and modalities "whereby the effect occurs each time the entity is present, regardless of the form of the interactions" (Bowen & Ostroff (2004, 210). Consistency can be defined to refer to the internal consistency or internal alignment among the HRM processes (Sanders et.al. 2008, 414). The three metafeatures of consistency are *instrumentality*, *validity*, and *consistent HRM messages.*

Instrumentality means creating a cause-effect relationship between the desired content-focused behaviors of the HRM system, i.e. performance appraisal process, and the affiliated employee reactions (Bowen & Ostroff 2004, 211), and the degree to which this relationship is unambiguous (Piening et.al. 2014, 548). The role of instrumentality is to ascertain that appropriate incentives are associated with desired performance. The role of perception in instrumentality is critical, as it highlights how employees anticipate probable consequences of behavior. Instrumentalities are mainly formatted by reinforcement consistency. They are established by consistency and repetition over time, especially through application of reinforcement principles. It is more probable, that employees recognize instrumentality when behavior and outcome are closely connected in time. Bowen and Ostroff (2004, 211) conclude, that if HRM staff and line managers have the resources and power to tie outcomes to behavior or performance on a timely and consistent schedule, they will be able to affect cause-effect attributions.

Validity, the second metafeature of consistency, plays an important role because individuals, when making attributions of the received message, also try to determine its validity (Fiske & Taylor 1991, cited by Bowen & Ostroff 2004, 211). In order for HRM practices to help create a strong situation, they need to be consistent with regard to objectives and outcomes. In short, validity refers to the degree of consistency between what the HRM practices intend to do, and what they, in reality, really do (Piening et.al. 2014, 548).

Validity also plays a role in signaling to employees of which knowledge, skills and abilities (KSA's) are appreciated within an organization. The message to the employees is contradictory, when a practice that is promoted to have certain effects, is taken into use, but in reality, does not do what was originally intended. This leads to employees developing their own idiosyncratic explanations of the message. (Bowen & Ostroff 2004)

In the performance appraisal context, validity has a big role as well. The principal HRM decision makers, when designing the performance appraisal process within an organization, need to pay special attention to the degree of consistency between what is said to be the effect of the process, and what in reality are the outcomes of it. For example, if the performance appraisal model is advertised to be linked to career promotions and advancements, but in reality lacks the linkage, the validity of the process is bound to decrease in the eyes of the employees.

Consistent HRM messages mean the compatibility and stability of the signals, which the HRM practices send. This refers to the degree of internal consistency (Piening et.al. 2014, 548). Bowen and Ostroff (2004, 211) refer to much research done about the individuals' desire to consistency in organizational life, and point out, that the lack of consistency in difficult, contradictory communication situations (the so-called double bind communication) can lead to excessive cognitive dissonance. The double bind refers to "a situation in which a person is confronted with two irreconcilable demands or a choice between two undesirable courses of action" (Oxford dictionary). Such a situation may occur, when an individual encounters important communication involving two separate messages, which are interrelated, also in terms of content, but are nevertheless conflicting or contradictory (Bowen & Ostroff, 2004, 211)

Three types of consistency are needed to avoid sending double-bind messages and to allow consistent perceptions of HRM content. First, consistency is needed in what the management says are the organization's goals, values etc., and what employees actually perceive those goals and values to be. (Bowen and Ostroff 2004, 211)

Second, internal consistency must occur among the HRM practices themselves. The importance of designing an HRM system with practices, that complement one another and fit together as a whole in achieving the organization's goals, has been, according to Bowen and Ostroff (2004, 211), widely recognized in HRM related literature. When HRM practices are internally aligned, this should lead to performance advantages, because "the difference sets of HRM practices will elicit, reward, and control the appropriate employee behaviors for achieving strategic objectives" (ibid.). The writers illustrate this in an example where the ability to teamworking is emphasized in the recruitment process, and claim that, in such a situation, rewarding should as well be based on performance of the team, not individual, level.

Third, stability over time is required in order to avoid double-bind communication. HRM practices are situational stimuli, and how one responds to a situation depends on that individual's prior encounters with the stimuli. "Behaviors and behavioral consequences remain stable when the evoking conditions remain stable" (Bowen & Ostroff 2004, 211) and in organizations, where specific HRM practices have been in use for long periods of time, the employee perceptions of what is expected of them, and what they in turn expect from the organization, are widely agreed on.

In the performance appraisal context as well, consistency in the messages concerning the process, is crucial. Avoiding double-bind messages by promoting internal consistency in the process, as well as stability over time, is necessary.

2.2.3.3 Consensus

The third, and final, basic feature defined by Bowen and Ostroff (2004) is consensus, under which two metafeatures occur, *agreement among principal HRM decision makers* and *fairness*. Consensus in HRM refers to a situation where employees agree on their view of the event-effect relationships (Sanders et.al. 2008, 414; Bowen & Ostroff 2004, 212). When employees perceive the message senders (line and HR managers) in the organization to strongly agree among themselves on the message, they are more likely to form consensus (Sanders et.al. 2008, 414). When there is consensus, it is more likely, that more accurate attributions are made about which behaviors and responses lead to which consequences (Bowen & Ostroff 2004, 212). The two metafeatures of consensus can help advance consensus among employees, and can influence whether individuals share perceptions about the entity or situation in question. These metafeatures are briefly introduced in what follows.

Before we go into these metafeatures, it is important to emphasize, that consensus and consistency, the previously mentioned second feature, should not be mixed, as they are distinct, but simultaneously interrelated concepts. Bowen & Ostroff (2004, 212) give an example of their relation:

> *"[W]hen individuals throughout the organization experience consistency in HRM practices, consensus is more likely to be fostered. At the same time, when message senders cannot agree among themselves on the intended message, consistency is more likely to be hampered."*

Agreement among principal HRM decision makers on how to design and implement the HR practices, helps promote consensus among employees (Sanders et.al. 2008, 414). Principal HRM decision makers are, for example, top management members or HR executives, who are ultimately in charge of setting strategic goals and designing the array of HRM practices. (Bowen & Ostroff 2004, 212) If, according to employee perceptions, the message senders strongly agree among themselves on the message contents, the probability of employees forming consensus among themselves is higher. (ibid.) This concerns all HRM processes. Therefore, agreement among the HRM decision makers is crucial, when designing the performance appraisal model within an organization.

Bowen and Ostroff suggest that this perception of agreement can be facilitated in a few ways, which will be specified in the next few paragraphs, and is related to the two other aforementioned basic features, distinctiveness and consistency.

The first way is that when many decision makers agree on the message, distinctiveness can be increased. This is because numerous individuals sending similar communications increases visibility. Consensus can be promoted, when the practices are by the employees perceived to have full top management support. In addition, integration and close interactions among HRM professionals, managers, and top management, can help advance the "exchange of tacit knowledge for the formulation and implementation of an organizational strategy and HRM system that reflects the firm's strategic direction" (Bowen & Ostroff 2004, 212, citing Lado & Wilson, 1994). By clearly identifying important goals and means to goal attainment, these integrations can help promote relevance, as well as strengthen the legitimacy of authority of those managers, who carry out the HRM policies.

Second, it is difficult to send unambiguous and internally consistent messages to employees, if there is disagreement about the HRM goals among the top management members themselves, or between the top management and HRM professionals. The same goes for situations, where HRM managers and staff members disagree among themselves. Lack of consensus and poor consistency among decision makers is likely to add up to poor consistency in delivering practices, which will result in different employees perceiving the message differently. Bowen and Ostroff (2004, 212) emphasize the agreement among top management, by saying, that it can comprehensively "help foster greater consensus among employees, since it allows for more visible, relevant, and consistent messages to be conveyed to employees".

The second metafeature of consensus is the concept of *fairness*, which refers to the degree to which HRM practices follow the dimensions of distributive, procedural, and interactional justice (Piening et.al. 2014, 548), and to whether the employees perceive a specific HRM system to be fair (Bowen & Ostroff 2004, 212). In addition to these three abovementioned principles of justice, Erdogan (2002, 558), by defining procedural justice to have two different meanings, suggests four dimensions of justice all together. In the performance appraisal context, distributive justice refers to the fairness in the situation where an employee compares his or her efforts with the evaluation they have been given. Rater procedural justice points to the perceived fairness of the procedures that the raters use during appraisals, whereas system procedural fairness means the perceived fairness of the performance appraisal procedures that the organization uses. Last, interactional justice refers to the fairness of interaction between individuals during the performance appraisal. (ibid., 557 – 559) This could for instance be the top management openly explaining and defining the reasons and desired consequences behind a specific HRM practice. (Bowen & Ostroff 2004, 212)

Research has indicated that the perceived fairness of HRM affects how positively HRM activity is seen. The capability of the HRM system has in research findings been seen to influence employee attitudes and behavior. Many researchers have found a positive relationship to exist between perceptions of HRM fairness and the acceptability criterion of HRM practices, which, according to definitions made by Bowen and Ostroff (2004), refers to the extent to which employees contribute to and utilize specific HRM practices. Fairness of performance appraisals is also an important factor, when considering their effectiveness and usefulness for organizations (Erdogan 2002, 555).

Bowen and Ostroff (2004) claim, that “agreement among employees’ perceptions of event-effect relationships will be influenced by whether employees have similar perceptions of what distribution rules […] apply in what situations”. They continue, that outcomes (e.g. rewards) can be distributed on the basis of three basic rules: (1) an “equality” rule (everyone receives the same outcome); (2) an “equity” rule (employees receive different amounts based on relevant differences, e.g. an incentive or merit pay system; and/or (3) an “individual need” rule (e.g. flexible working hours for a single mother, or remote work for an international employee, who needs to take care of his or her aging parents in their home country).

Employee perceptions of interactional and procedural justice will lead the way for transparency of the distribution rules, and thus increase the probability of an HRM system to be characterized by consensus about event-effect relationships. (Bowen & Ostroff 2004) Justice perceptions can also be associated with eg. organizational commitment and trust in management (Erdogan 2002, 556).

2.2.4 The outcomes of a strong HRM system

In order for HRM practices to have such effects on employee attitudes and behaviors as the organization has intended, they have to be perceived and interpreted in a common way (Nishii et.al. 2008). When a situation is strong, employee perceptions are not likely to differ much from each other, but will instead reflect a “common desired content” (Bowen &

Ostroff 2004, 213). Consecutively, the organizational climate will combine employee attitudes and behaviors. This is possible due to the fact, that:

> *"a strong HRM system can foster similar viewpoints such that the situation leads everyone to 'see' the situation similarly, induces uniform expectancies about responses, provides clear expectations about rewards and incentives for the desired responses and behaviors, and induces compliance and conformity through social influence"*. (Bowen & Ostroff 2004, 213)

This is why the aforementioned writers propose, that a strong HRM process can increase organizational performance, which owes to shared meanings in promotion of collective responses. These responses are consistent with the organization's goals – this is, however, based on the assumption that employees find those goals appropriate. An HRM system, which can be characterized to be immeasurable in the aforementioned three features of a strong system – distinctiveness, consistency, and consensus – should increase the clarity of interpretation. This would, in turn, allow employees to develop similar "cognitive maps" or "causal maps", as Bowen and Ostroff (2004, 213) call them. It would also create an "influence situation", which means that employees would understand the desired ways of behaving.

There has been research done to support the arguments and the theoretical framework of the aforementioned writers. For instance, Sanders et.al. (2008, 420) found that distinctiveness and consistency increase affective employee commitment to the organization. However, no effect was found for the role of consensus in the HRM system. Also a positive relationship between strong HRM systems and employee work satisfaction (Li et.al. 2011), as well as strong HRM systems and commitment (Sanders et.al. 2008), have been found. Sumelius et.al. (2014) studied influences on individual employee perceptions of performance appraisal, and identified inter-linkages and overlaps between the features, that Bowen and Ostroff have in their theoretical framework introduced to be the characteristics of a strong HRM climate.

Interactions among employees may add up to collective sensemaking. In a strong HRM system, the outcome of the sensemaking process is usually an intended organizational climate. When the system is weak, however, HRM practices will send unambiguous messages to employees, thus leaving the employees to interpret the messages individually.

This might add up to either variance or unintended sensemaking. (Bowen & Ostroff 2004, 213).

When the situation is weak, shared perceptions might not emerge. Even though a weak situation is produced when the distinctiveness, consistency, and consensus of the situation are low, the *weakest* or *most ambiguous* situation is produced, when distinctiveness is high, but the two other features are low. In such a situation, HRM practices are visible to the employees, but the messages concerning them are inconsistent or conflicting. This will result in negative reactions like confusion or dissatisfaction, followed by lack of shared perceptions and negative employee attitudes.

Weak situations might also add up to situations where individuals try to solve uncertainty by interacting with others, in order to develop their own shared interpretations. Bowen and Ostroff (2004, 214) point out, that there is potential danger in this, as the collective interpretations might not be those that the organization intended them to be. A strong climate might indeed emerge, but as such, it will not match the intended climate content. This, in turn, leads to conflicts with the organization's goals and strategies, or, ultimately to poor effectiveness and productivity. The likelihoods for this to happen are highest, when distinctiveness is low, even though the other two features, consistency and consensus, when being low, do play a part in it, too. In other words, "when practices are not made salient, visible, and understandable, ambiguity is high, and employees are more likely to refer to one another in an attempt to define the situation in their own way" (ibid.). Low distinctiveness might therefore contribute to the mutual sensemaking process, which might ultimately add up to unintended organizational climates. It is unlikely, that a weak HRM process boosts organizational effectiveness, as "it creates a weak situation in which either individual processes dominate or collective sensemaking results in shared interpretations that may be inconsistent with organizational strategic goals" (ibid.).

As acknowledged earlier on in this study, different subclimates might exist within an organization. A shared perception of the climate will emerge in the organizational subunits, if the HRM system is strong, even though slight differences content-wise might exist between groups. This may even be desirable especially in large multinational firms, where activities take place within many different countries and cultures. (Bowen & Ostroff 2004, 215)

2.2.5 Summary of the theoretical framework

The HRM process, which is under focus in this thesis, is the performance appraisal process. Performance appraisal is one of the key HRM practices in the wide array of HRM processes (e.g. Kauhanen 2010; Sumelius et.al. 2014; Sydänmaanlakka 2000). The aim of the process is to evaluate the current levels of performance, assess them against the desired levels, and therefore, to enhance performance, add value, and contribute to objective attainment (e.g. Foot & Hook 2011; Dessler 2004). The process ownership is divided between HRM and the supervisors, with the supervisors playing at least an equally important, if not even more important, role in the process (e.g. Sydänmaanlakka 2000; Dessler 2004). Much research has been conducted on employee perceptions of performance appraisal, and findings have included, for example, increased trust for top management and employee satisfaction (e.g. Mayer & Davis 2009; Erdogan 2002; Boswell & Boudreau 2000). These studies have, however, been conducted mostly in private sector organizations, therefore leaving the university sector quite unraveled.

Bowen and Ostroff (2004) argue, that an HRM system can act as a signaling system within an organization. When employees develop shared perceptions of the organization and its goals, objectives, etc. and of which behaviors are expected, an organization can act as a strong situation. Employees can develop shared interpretations, when the messages communicated through the HRM system are clear. This, in turn, builds the way for a strong organizational climate.

A strong HRM system is a linking mechanism that builds collective interpretations among employees. When the HRM system is high in certain features, it creates a strong influence situation in which employees can share interpretations. These features are *distinctiveness* (situation is highly observable), *consistency* (similar event-effects throughout time and modalities), and *consensus* (agreement among the individual perceptions of the event-effect relations). Each feature also has two to four metafeatures. The features, along with their metafeatures, are represented in Figure 2 on the next page.

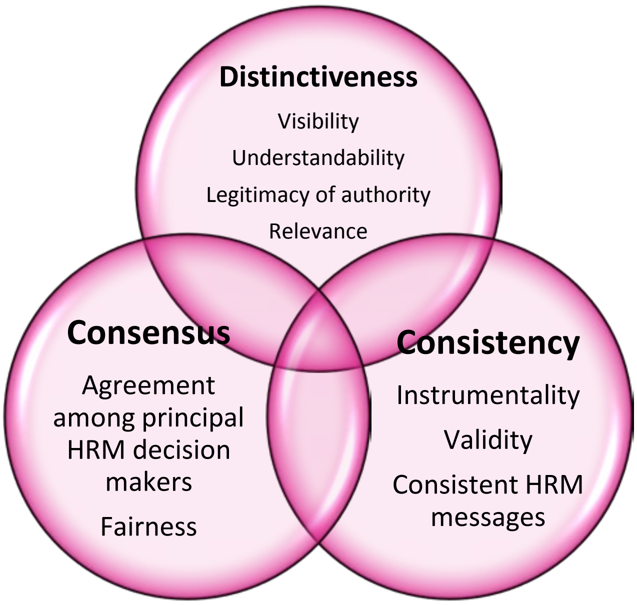

Figure 2: Features of the HRM process (adapted from Bowen & Ostroff 2004)

The features, together with their metafeatures, help in the emergence of a strong organizational climate. A strong HRM process can increase organizational performance, which owes to shared meanings in promotion of collective responses.

The aim of this study is to explore performance appraisal in the case university against the three features and five of their nine metafeatures. The five metafeatures are *visibility* and *understandability* as metafeatures of **distinctiveness**, *validity* and *consistent HRM messages* as metafeatures of **consistency**, and *fairness* as a metafeature of **consensus**. I find these five metafeatures to be the most important and relevant of all the nine metafeatures introduced earlier in this chapter. In similar studies Sumelius et.al. (2014) and Sanders et.al. (2008) have also chosen to focus only on certain metafeatures, instead of taking all nine of them into consideration. Based on these features, I will pursue to determine the degree of the organizational climate. This study now continues to a more practical perspective, as we move on to the next chapters, which concern the actual research.

3 METHODOLOGY

In this chapter, I will introduce the methodology used in this thesis. I will argue why I have decided to conduct this study as a qualitative case study. I will also explain how, and from who, the data for this study was collected, after which I will shed light onto the data analysis process. I will conclude this chapter by giving thought to the reliability and validity of this study.

3.1 Research method

The typical characteristics of qualitative research include favoring human beings as instruments and using qualitative methods when collecting data, using inductive analyses, and expediently choosing the target group, not using a random sample (Hirsjärvi et. al. 1997, 126). Silverman (2000, 8) listed five characteristics of qualitative research, as follows:

1. A preference for qualitative data
2. A preference for naturally occurring data
3. A preference for meanings rather than behaviour
4. A rejection of natural science as a model
5. A preference for inductive, hypothesis-generating research rather than hypothesis testing

By qualitative data, Silverman (2000, 8) refers to analyzing words and images rather than numbers. Naturally occurring data is explained to be observation and unstructured interviews, instead of experiments or structured interviews. When explaining the preference for meanings, Silverman (ibid.) cites Hammersley (1992), and says that the attempt there is "to document the world from the point of view of the people studied".

In this study, I have chosen to conduct qualitative research, as the nature of the study clearly is qualitative with regard to all characteristics mentioned above. For example, this study favors human beings as a target group, which has been chosen expediently, not by a random sample. Data is collected by semi-structured thematic interviews, and the analysis will be of words that the people, who have been studied, have said.

I believe this research method is not only natural, but it is also the only possible choice to make, as the research aims to discover the employee *perceptions* of specific HRM processes. I feel that quantitative methods, even the best possible questionnaire with exact and thorough questions, could not get as comprehensive results as with qualitative methods.

3.2 Case study strategy

In this study, I have chosen to implement the case study strategy. The case study approach is a thorough and sharply-defined description of an event, phenomenon (Laine et.al., 2007), a concrete entity, occurrence, or action. It is not, however, an abstract topic such as an argument, theory, hypothesis, or a concept. (Yin 2009, x) It is a method, which is broadly used in various fields, such as business, education, psychology, sociology, and nursing (ibid., 4). The subject of this detailed type of research may be, for example, an organization, state, individual, community, or a sequence of events. (Laine et.al. 2007, 9)

The case study strategy allows researchers to maintain "the holistic and meaningful characteristics of real-life events" (Yin 2009, 4). These real-life events include, for example, small group behavior, managerial and organizational processes, performance, and individual life cycles (ibid.). The fundamental idea is to collect as much comprehensive data as possible, and with this data, aim to describe the event or phenomenon as accurately as possible (Laine et.al. 2007, 9).

The following characteristics well describe the case study strategy. First of all, a holistic approach – referring to a thorough analysis of a naturally occurring case – and an interest towards social processes, are common case study characteristics. In addition, the utilization of various data, methods, as well as previous research is typical for case studies. Also the obscure borders between case and context can be described as a case study characteristic. (Laine et.al. 2007, 10)

Three types of case studies exist: exploratory, descriptive, and explanatory case studies. They can be characterized by the types of research questions they use, by the extent of control the researcher has over behavioral events, and by the degree of focus on contemporary vs. historical events. (Yin 2007, 10) The idea behind exploratory case studies is to discover something new: new theoretical ideas or hypotheses of those reasons, which are behind certain practices. The fundamental objective behind the descriptive case study method is producing a dense description or a good narrative. The explanatory case study method, in turn, strives to explain a phenomenon and answer to the questions of why a case is as it is, or why has it developed to be so. The explanatory case study method looks into the causal relationships between the complex events of the real world. The big idea is that the phenomena, practices and processes are so complex, that they cannot be examined by conducting a survey. (Eriksson & Koistinen 2005, 11 – 13) This study is clearly an exploratory study, as the aim is to look into the employee perceptions and discover the influencing factors behind them.

A case study research is not usually a linear process, but on the contrary – it is generally a diverse and iterative process, where the investigator might, for example, experience numerous different phases and steps, need to turn back and develop the dialog between the theory and empiricism, and so on. Essential steps are e.g. defining the research question, case selection, and defining the logic in the aforementioned dialog. (Eriksson & Koistinen 2005, 19)

3.3 The case organization

The case university is a large multidisciplinary Finnish university, with approximately 4,500 employees in total. In this study, I will concentrate on one of the university's six faculties, and the focus is solely on the academic personnel. The faculty, in total, has about 350 academics, of which somewhat 80 are professors.

In the next two subchapters, I will first of all introduce the target group and their working environment, and explain how and why I have chosen this specific target group for this study. Second, I will explain the HRM process in question – that is, the performance appraisal process – in more detail, as it is in use in the case organization.

3.3.1 The target group

Michael Quinn Patton (2002, 243) has listed many sampling strategies, including both random probability sampling strategies as well as purposeful sampling strategies (sometimes also called *purposive* or *judgment* sampling). Random probability sampling would fit in a situation where generalizations of the e.g. population is required (ibid., 242). However, when striving for in-depth information, purposeful sampling would be a better option, because "[t]the logic and power of purposeful sampling lie in selecting information-rich cases for study in depth. -- Studying information-rich cases yields insights and in-depth understanding rather than empirical generalizations." (ibid., 230). I find the latter sampling strategy – the purposeful sampling strategy – to fit into the needs of this study better, than the use of a random sampling strategy would.

Patton (2002, 230 – 242) lists fifteen different strategies for purposefully selecting information-rich cases. The strategy out of these fifteen to best suit the characteristics of my study, is the *maximum variation (heterogeneity) sampling*. This strategy "aims at capturing and describing the central themes that cut across a great deal of variation" (ibid.).

The focus of this study is on the assistant and full professors of a specific faculty. I am myself an employee in the case university, which affected the decision-making when defining the target group for this thesis. I work as an HR employee in one of the university's six faculties, which is why I ended up with the natural choice of selecting the target group from within the same faculty. This was done mainly for two reasons: it was an easy solution, as I had profound knowledge of who would be good interviewees, and I have lots of connections and networks within the faculty. My decision was not, however, based on the simplicity alone, but the most important driver in choosing the target group within the same faculty was my own personal interest in the thesis subject (performance appraisal), as well as my workplace. I wish to emphasize, that this thesis is not an assignment from my employer, but instead, I have chosen the subject based on personal interest and passion to develop one of the key HR processes in the university, basing my observations on a perfect combination of theory and practice.

I have chosen the two aforementioned personnel groups for two following reasons. The first reason is that as this is a Master's level study, the focus could not be on all personnel groups, as it would extend the length of the study considerably. Second, focusing on all personnel groups might perhaps leave the study at a very superficial level, making it more a report than research. To get a more in-depth analysis, I have therefore decided to focus on the professors. By focusing on two different groups of professors at different stages in their careers, I hope the findings will bring out differences and comparisons between the two groups. As said, all target group professors work within the same faculty. As the case university is large and multidisciplinary, delimiting the target group to a specific faculty is justified in this Master's level study for the same reasons as focusing on a specific personnel group: a more ample approach would considerably extend the length of the study.

The tenure track system, still fairly new to Finland, has arrived here from the US, where it has a long tradition. The model is based on long "trial periods", during which the tenure track candidates have the opportunity to demonstrate their academic qualifications. After each "trial period", a promotion review is conducted and the candidate is promoted to the next step of the track – or, if s/he does not demonstrate sufficient quality, the employment can be terminated. The tenure track system is flexible, as recruitments can be made to all career levels, depending on the needs of the department or faculty. The model has also received critique in Finnish universities, as the emphasis is perceived to be excessively on research. Challenges have also been perceived in the fair distribution of administrative duties in the department, when new recruitments can either be too junior or lack Finnish skills. (Pekkola et.al. 2016, 83)

The tenure track system of the case university has all together four steps: Assistant Professor 1st term; Assistant Professor 2nd term; Associate Professor (tenured/non-tenured); and Full Professor. Both assistant professor terms are fixed-term employments (3 – 4 years / term). (Tenure track career system 2017) Assistant and full professors are at completely different stages in their careers, as for the full professors, contracts are permanent and they have typically been in academia for clearly longer periods of time. For assistant professors, however, the path is precarious, and they are under a lot of pressure when striving to demonstrate their competencies.

In this thesis, I will exclude the associate professors from the focus group. This is done for two reasons. The first reason is very practical: the number of associate professors in the case university differs much from assistant and full professors, being much lower than the other two groups. This is due mostly to the fact that the tenure track system has been in use for less than ten years. When the system was implemented, all existing professors were placed on the full professor level. Then again, new recruitments to the track have mostly been made to the assistant professor level. This adds up to the proportion of associate professors being clearly lower than that of the two other groups. The second reason for excluding associate professors is, that focusing on polar-type cases will presumably bring more variety to the employee perceptions, and actually make the results of this study, not only more interesting, but also much more useful.

The interviewees among all the assistant and full professors were chosen with the help and expertise of the HR responsibles in each department. The target group includes both men and women, and Finnish as well as international employees, all in balance. Also the proportion of assistant and full professors is balanced.

For this thesis, I interviewed all together 11 employees of the case university. All are professors at one of the six faculties of this large Finnish university. Out of these 11 professors, five are Assistant Professors – all of them either in their first term, or just about to start, or have just started their second Assistant Professorship terms. The rest of the six interviewees are Full Professors. The target groups were purposefully chosen before the interviews. See Table 1 for detailed information of the respondents and their background.

Table 1: Target group background

Sex	**Nationality**	**Position**	**PhD obtained, year**	**Academic age**	**PhD obtained, country**
Male	Chinese	Assistant Professor	2011	6	Finland
Male	Finnish	Full Professor	1997	20	Finland
Female	Russian	Assistant Professor	2012	5	Finland
Female	Finnish	Assistant Professor	2015	2	Finland
Male	Finnish	Assistant Professor	2009	8	Finland
Male	Finnish	Full Professor	1993	24	Finland
Female	Finnish	Full Professor	1996	21	Finland
Male	Austrian	Assistant Professor	2012	4	Finland
Female	Finnish	Full Professor	1999	18	Finland
Male	Finnish	Full Professor	1989	28	Finland
Male	Finnish	Full Professor	1986	31	United States

All interviews started with background questions regarding the respondents' sex, current position, nationality, and when they had obtained their doctoral degree and from which country. The interviewee's age was not seen as relevant; however, their academic age (years since PhD) was seen to be more of relevance.

Out of the 11 respondents', all together seven (7) respondents are male and four (4) female. The proportion of female respondents is thus approximately 36 percent. The percentage of female professors in the case university in 2016 was nineteen (19 %) (Key figures and annual reports, 2017), meaning that in this study, the proportion of female respondents, compared to the real-life situation, is over-represented. However, I find it justified, that the number of female respondents was as large as it was, as it adds to the heterogeneity of the target group. Gender distribution is demonstrated in Figure 3.

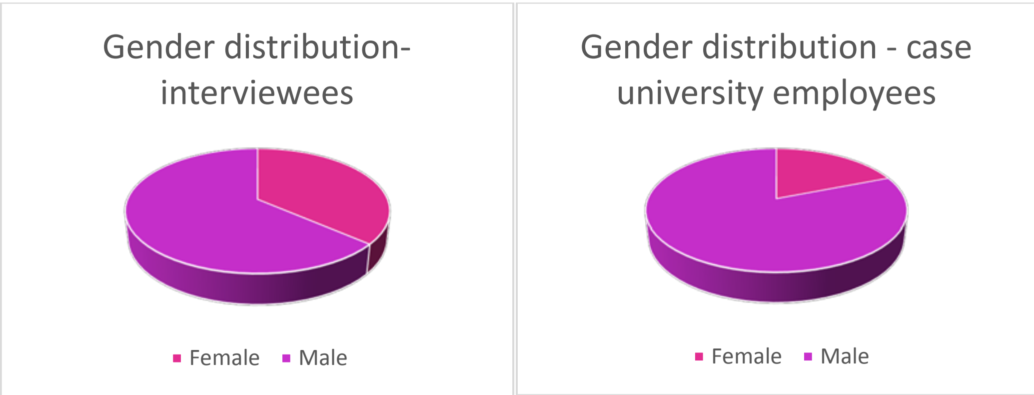

Figure 3: Gender distribution

According to case university key figures, in 2016, 34 percent of the all case university employees, and 20 percent of all professors were from an international background (Key figures and annual reports, 2017), which is visualized in Figure 4.

Figure 4: Internationality of case university employees

The percentage of international interviewees in this study was 27 %, which closely corresponds to the real-life situation. Of all the interviewed Assistant Professors, the share of international employees is 60 percent. The distribution is graphically demonstrated in Figure 5.

Figure 5: Internationality of the interviewees

All interviewed Full Professors were of Finnish nationality. This also closely corresponds to the real-life situation in the faculty, as in reality, too, none of the Full Professors of the school are non-Finns (Heino 2017). However, the percentage of non-Finn Assistant Professors in the faculty is 33 % (ibid.), which means that, in reality, Assistant Professors with an international background were slightly over-represented in the target group.

The average academic age (years since PhD) of Assistant Professors in this study was five (5) years. The number of years since graduation differed from two (2) to nine (9) years. On the Full Professor level, the number of years since graduation differed from 18 to 31 years, with the average academic age being approximately 24 years.

With the aforementioned setting, the target group is as heterogeneous as is possible when taking into consideration the personnel structure of the case university. However, nearly every one of the interviewees, even the ones with non-Finn nationalities, had obtained their doctoral degree from Finland, with the exception of only one non-Finnish degree. This came as a surprise to me, as I had expected at least the ones with international backgrounds to have international education as well.

3.3.2 Performance appraisal in the case university

The case university HR defines performance appraisal ["objective discussions"] as follows: "Objective discussions are a practical tool for building excellence together, but the most important is to remember reflection, discussion and sparring as part of daily work. Objective discussions give you an opportunity for a deeper dialogue twice a year." A brief description of the appraisal process is introduced in what follows. This whole subchapter is based on instruction material, which at the time of writing this thesis, could be found on the case university's intranet. (Objective discussions 2017)

The official recommendation is to carry out the discussions twice a year, but in reality, the performance appraisal round, especially for academic faculty, takes place once a year.

The performance appraisal process and the topics that should be covered, are explained in Figure 6:

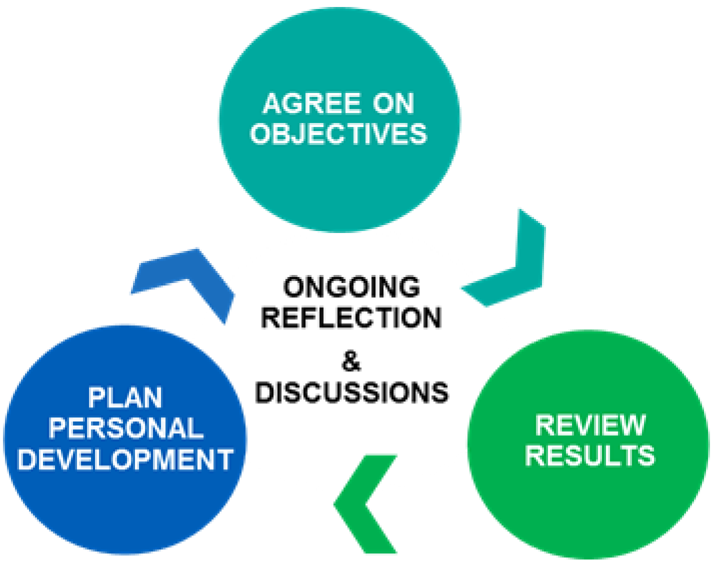

Figure 6: Objective discussion process

As can be seen from the figure, the performance appraisal process covers three topics or themes. Each theme is described briefly below.

Review results. Results from the past four years (professors) / 12 months (other academic faculty) should be approached from two different perspectives: the “what” approach (results and professionalism), and the “how” approach (commitment and co-operation within work community in line with the university’s values). This topic includes giving feedback to both appraisal parties, i.e. the supervisor and the subordinate.

Agree on objectives. This stage includes setting objectives for the upcoming period, and devising an action plan to achieve these objectives. The objectives should be clear and personal, and they should fit within not only the individual work profile, but also be aligned with the objectives of the department, faculty and university.

Plan personal development. This discussion theme focuses on reflecting strengths and weaknesses, on which competence development plans and career planning should be based on. This topic should also cover any other issues related e.g. to work community and environment, or well-being at work.

The case university uses a performance appraisal form, which is intended to support the subordinate and his/her supervisor to cover and assess all of the three themes or phases. The results of the discussions are instructed to be documented to a specific web-based personnel system either by attaching the form in word-format, or by utilizing the form in the system.

The university HR has instructed that the discussions should focus on “good two-way communication”. The importance of listening, being open, and giving and receiving feedback, is emphasized in the instructions.

The performance appraisal model in the case university was changed slightly during the spring of 2017. At the same time, the generally used term ‘development discussions’ was changed to be ‘objective discussions’ (*tavoitekeskustelu* in Finnish). This was due to the fact that, as explained earlier, the process did not have a very positive reputation and by altering it, the university HRD hoped to improve its standing. The change per se was not a topic of research in this thesis, but it did still came up in some interviews, as the readers can observe in Chapter 4, where the results of this study are discussed.

3.4 Data collection

The data for this study was collected by thematic interviews. One of the advantages of interviews as a data collection method is, that in an interview, the investigator may be able to bring out the motives behind the answers by both two-way communication as well as by interpreting non-verbal messages (Hirsjärvi & Hurme 2001, 34). This was an essential factor in this study, as the aim was to discover the employee perceptions regarding the distinctiveness, consistency, and consensus of the performance appraisal process. The interviews also strived to unveil the factors, which determine those perceptions. The interviews were semi-structured thematic interviews. A semi-structured interview means, that the questions are homogenous (word order etc. may differ) for each interviewee, but the respondents are free to respond to the questions freely – meaning, that there are no answer alternatives. In thematic unstructured interviews, the typical situation is that the interview themes have been predetermined, but the contents may slightly vary and questions might not be very detailed in advance. (ibid., 47) The interview question set was structured around three main themes, which quite naturally, given the nature of the research questions of this study, were the three features defined by Bowen and Ostroff (2004). The set of questions also included some background questions about e.g. the interviewees' educational and career history, as well as their experiences of performance appraisal during the current year's discussion rounds. The set of interview questions is as an appendix to this study (Appendix 1).

The interviews were conducted during April 22 – June 15, 2017, and the duration of interviews varied from 20 to 38 minutes, with the average interview lasting about 30 minutes. The aim was to discover the aforementioned perceptions regarding the performance appraisal discussions, and the interviews were conducted approximately 1 – 2 months after each interviewee had attended his or her own objective discussion.

The estimated sample size was 10 – 12 interviews. In qualitative research, the term *saturation* refers to a situation, where the researcher starts collecting data without deciding the exact amount of necessary data in advance. He or she could, for example, carry on with interviews for as long as they provide new data. When things start to repeat, *saturation* has occurred. (Hirsjärvi et.al. 1997, 182) Hirsjärvi et.al. (ibid.) do note, however, that there are certain challenges regarding the saturation process. For example, an inexperienced researcher might not be able to take all new arising themes and points of views into account. Another challenge is a characteristic often connected with qualitative research: the idea that all cases are unique. Hirsjärvi et.al. (ibid.) therefore raise a valid question, when asking that how can a researcher be certain, that the interviews will not produce any more new information. However, the writers do point out, that saturation is nevertheless broadly used throughout research and researchers, and it has turned out to be a proven practice, when defining the sufficient amount of data.

As I admit to being an inexperienced researcher, I made sure to be very careful when considering the saturation of my data. I had in advance decided to conduct at least 10 – 12 interviews, after which the saturation of the data could be carefully examined. After conducting 11 interviews, I felt that I had, first of all, covered thoroughly both personnel groups (assistant and full professors) in all six departments of the case faculty. Second, the interviews were no longer bringing up new themes or points of views, but instead, I felt that I already had a comprehensive data sample in hand. I could therefore experience *saturation* in the situation. I do acknowledge, however, that in such a case study as this one is, all cases are unique and I cannot be confident, that no new angles would have arisen, would I still have carried on with the interviews.

Each interview was recorded and then carefully transcribed word to word after the interviews had taken place. There is approximately over 5.5 hours of recorded interview material, and the transcriptions of all 11 interviews make all together 84 pages of data. In the next subchapter, I will describe what was then done with the data, meaning how all of it was analyzed.

3.5 Data analysis

I started the data analysis process by reading through the transcribed interviews a few times. This ensured a fresh recollection of the topics, and the overall feelings and the attitudes, that the interviewees had, both verbally and non-verbally, talked to me about in the interviews. During this process, I also made some notes about preliminary thoughts regarding the classification and analysis of the interview data.

The set of questions used in the interviews were structured so, that there were questions regarding each metafeature defined by Bowen and Ostroff (2004). This follows the principles of deductive content analysis, in which analysis is based on a previous framework, such as a theory or conceptual framework. In the case of a structured analysis framework, only those issues, that relevant to the theory or conceptual framework, are collected from the data and analyzed. This allows means to test a previous theory or conceptual framework in new contexts. (Tuomi & Sarajärvi 2009, 113) Conducting the data analysis according to the principles of the deductive content analysis made the preliminary analysis of the data easier. However, as can be seen from the annexed interview questions, the question set-up was not designed to directly ask what the respondent thought about e.g. the visibility or fairness of performance appraisal. Instead, the questions were indicative, which left room first, for the interviewees to freely talk about their perceptions, and second, for me to analyze the meanings, hints, and the non-verbal communication, which occurred within each response.

First, to obtain a preliminary glimpse of what the interviewees had said about each metafeature, I proceeded question by question, metafeature by metafeature, which then produced the primitive analysis and classification of the data.

After this, I carefully went through the interview transcriptions a few times again. In many cases, the interviewees had discussed certain issues in various points of the interview, not just when discussing the questions regarding each metafeature. Interpreting each response, and classifying it by Bowen and Ostroff's (2004) definitions, was the hardest part of this research study, and it required a lot of hard work. All in all, the analysis process included reading the interview material over and over again.

3.6 Reliability and validity

The reliability of the study means the repeatability of the result. It therefore means that the results are not random, but they can be reiterated systematically. The reliability of research results can be established by e.g. two researchers reaching the same conclusion from the same data. (Hirsjärvi et.al. 1997, 231) In order for the other researcher to repeat the works of the first researcher, it is essential, that the procedures followed in the earlier case, are explicitly documented. Yin (2009, 45) suggests that this should be done by making as many operational steps as possible, and conducting research “as if someone were always looking over your shoulder”.

As has been described in previous subchapters, the fact, that the research process data has been carefully documented, increases the repeatability of the result. All interviews have been transcribed word-to-word, highly increasing the second researcher’s probability for reaching the same conclusions. The analysis process has also been explicitly described on the previous page, which would still further increase the possibility for repetition. Based on this, I can with confidence state, that this study fulfills the reliability criterion.

The validity of the study means that the study measures or examines exactly what it was supposed to measure. For example, research questions in a survey should not be ambiguous in order to avoid confusion and wide scale of meanings in the answers. (Hirsjärvi et.al. 1997, 231) There are three types of validity, which in case study processes should be applied throughout the course of the study, e.g. in the phases of, not only research design, but also amidst data collection and analysis. To ensure **construct validity**, the researcher must use multiple sources of evidence, establish a chain of evidence, or have key informants review the draft case study report. **Internal validity** is only possible for explanatory studies, and should include one of the following: do pattern matching and/or explanation building, address rival explanations, and use logic models. Last, to assure **external validity**, theory should be used in single-cased studies and replication logic in multiple-case studies. (Yin 2009, 40 – 44)

In this study, I have used multiple sources of evidence, as the interview target group consisted of all together 11 respondents. As has been stated earlier, this study is clearly exploratory of nature, meaning that the internal validity criterion is not relevant in this study. The empirical part of the study is based strongly on the theoretical framework of this study, and mostly on Bowen and Ostroff’s theory. Based on these factors, I am convinced that this study also fulfills the validity criterion.

This research was carried out as a case study research, which is why the results describe only the characteristics of this particular subject of research. The empirical data was gathered from employees in the case organization, which is why it represents only the views of those specific employees. In addition, the analysis mostly highlights the aspects and issues that were widely emphasized throughout the interviews. This means, that those factors, that came up more sparsely, did not receive as much attention.

The theoretical framework of this study is not an ample literature review of all theories related to organizational performance and performance appraisal, but instead, it is strongly centered upon Bowen and Ostroff’s framework. This study does not consider performance appraisal from extensive perspectives, but it rather examines the interest of research through one specific theoretical lens.

Due to these abovementioned factors, when considering the results of this study, it is important to remember, that the results are unique and represent only the reality of the case organization in this study.

4 RESULTS

This chapter discusses the results of the interview data. In what follows, I introduce the results of the interviews embedded into the framework provided by Bowen and Ostroff (2004). The following three sub-chapters are devoted to reviewing how the target group perceives the distinctiveness, consistency, and consensus of performance appraisal in the case university. Conclusions and discussion based on the results are attainable in the next chapter, in Chapter 5.

A brief definition is necessary before addressing the results of this study. As mentioned earlier, the concept of performance appraisal in HRM literature includes discussions, together with appraisal tools, methods etc. The content thus is the same as in the objective discussions - the term that is used within the case university. Following the guidelines set by literature, this thesis discusses the whole process, which includes the discussions, performance evaluation etc., by the concept of performance appraisal. In the interviews, however, the concept was addressed as 'objective discussions', as that remains to be the term most familiar to the interviewees.

Each interview began by defining what was meant by objective discussions. In the case university, salary discussions and salary systems are not a part of the performance appraisal process, but instead, these are two separate HRM processes. This is why the respondents were asked not to consider salary related issues in the interview. The interviewees were also told that the focus during the interview was on them as employees, meaning that even if they were in supervisor positions, they were asked to consider the questions from the employee point of view only. In addition, it was emphasized to the respondents, that even though I am myself an HR employee in the case university, in the interview I was present purely in a student role, not as a representative of HR.

4.1 The distinctiveness of performance appraisal

According to Bowen and Ostroff (2004), distinctiveness of a situation refers to features that make the situation stand out and differentiate. As has already been mentioned, the concept of distinctiveness can be illustrated by four characteristics or metafeatures: visibility, understandability, legitimacy of authority, and relevance.

The next few subchapters shed light to the selected features of the distinctiveness of performance appraisal in the case university, as seen by the target group. In this thesis, distinctiveness is viewed from the perspective of two metafeatures: visibility and understandability.

4.1.1 The results of visibility

In terms of HRM practices, visibility refers to their saliency and observability. Visibility is an important characteristic, when aiming to determine whether people attend to information and how they cognitively organize it. Visibility of HRM practices is likely to be higher, when it affects larger number of employees. (Bowen & Ostroff 2004) In the performance appraisal context, visibility refers to employees' clear understanding of the process, but it may also refer to the openness, which peers discuss themselves the performance appraisals they have been given by their supervisors. (Fried et. al. 1999, 434 – 435)

The interviewees were asked whether they perceived performance appraisal to have a lot of emphasis in their unit. Over a half of the respondents perceived the appraisal process to have at least some, mostly positive, emphasis in their unit. The appraisal process was seen as a neutral or positive process. According to the interview data, performance appraisal was perceived to be a good opportunity to face the supervisor or employee, to give and receive feedback and advice, and to discuss matters, also confidential and sensitive of nature, that are not willingly brought up in a big group of people. The significance of performance appraisal, especially for those in junior roles, was emphasized in nearly all of the professors' responses, by both the senior and the more junior ones. However, much less emphasis was given to performance appraisal for those in more senior roles.

> *"If some top people publish and so on, probably it's [appraisal] not very useful, because everyone knows that this is top and so on. But people who like… in this middle of career, then it's more important to guide them and give them advices and so on. […] So then you get some advices actually how to do your research if you want to be published in these top journals. But probably those people who already publish there, like senior professors, it's probably not too important." (Assistant Professor 4)*

"Usually the top [senior] professors don't need [support] and they might even find it humiliating or just plain nonsense. Then you shouldn't put much emphasis on it, but just tick the boxes that teaching and research work is progressing." (Full Professor 2)

"I have a very positive attitude towards [performance appraisal], and also what I hear so far, also my PhD students and close colleagues, everyone is… is very happy about this because it's very enlightening for many. Because it's an hour where you push, and it's really all about the employee in that moment, and the supervisor is really doing everything to have clear recommendations and to come up with some solutions and everyone, yeah. Got the better picture of what's next or what maybe… someone should leave and focus on something else to achieve the major thing, and not get lost in many not so important issues." (Assistant Professor 1)

Performance appraisal was seen to have emphasis especially in situations, where interaction with the supervisor did not occur on a daily basis, due to e.g. personal characteristics, such as shyness, which might make it more difficult to start casual conversations with a co-worker, or to ask for feedback or reflections from the supervisor. Some mentioned other reasons standing in the way of face-to-face interaction, for example geographical distance and busy schedules. In these cases, regular and formal performance appraisal discussions were much more valued and appreciated.

"For some it fits, it makes much more sense to have such a discussion, for other perhaps not so much. […] For example, I almost every day interact with the supervisor, on a really *everyday basis, […] but for some there is not the regular interaction. We have a lot of researchers who are, you know… also travelling a lot and also working abroad, so there is not so much interaction on a regular basis. […] For* those *members, within our unit, the discussions are very important. Also to have to* really *get an idea of what's expected." (Assistant Professor 1)*

"I'm a bit like a shy person so for me the discussions are more useful. I communicate less." (Assistant Professor 4)

However, nearly all respondents emphasized that the yearly discussions were not by far the only discussions between employees and supervisors, but quite on the contrary. Weekly, if not even daily, discussions with colleagues and/or between supervisors and subordinates were, according to the interview data, well appreciated throughout the target group. Performance appraisal was not seen to have as much emphasis in units where the atmosphere was good and people could talk about issues even without the formalized settings. As the interview quotes below will demonstrate, the respondents emphasized regular conversations in more informal settings, such as having a chat over lunch or in conferences.

"As I said before, we at the department have lunch together in different group set-ups, I mean post doc's go together and professors together, so we know almost everything anyway." (Full Professor 5)

"I have to admit that we don't have these [objective discussions] among professors. We just document it in the system but we discuss with the tenured professors all the time, so I think it's quite naïve, this whole formal apparat, and it's always been done like this."(Full Professor 2)

"We [referring to supervisor] know each other so well, we interact also on a daily basis very intensively. […] He knows me better than my wife! [laughs] Nah, that was a joke."(Assistant Professor 1)

"In fact in top universities and with top people discussions take place every day or every week and we have a beer together and we go to conferences so the supervision relationship is a continuous relationship and there is no need for this formal objective check up." (Full Professor 2)

The interviewees were also asked to consider whether they perceive the performance appraisal process to play a highly visible role in their unit. Nine out of eleven respondents clearly stated, that they did not see performance appraisal playing a visible role in their unit. They explained, that the process feels forced; a formality that merely has to be taken care of. However, some did mention, that even if the formal conversations do feel compulsory, the results usually end up being positive. The discussions are organized annually every spring. However, one respondent had not even been aware of such actions. This comment speaks for itself on the visibility of performance appraisal.

"It is kind of forced, there is that, too. But then again, I think it always turns around, I mean after them everyone feels that hey this was a nice conversation and it was useful to pause for a bit. So it kind of feels that you're forced to have it, but in the end it turns to be positive." (Full Professor 1)

"Many a time they are perceived to be a formality that needs to be done." (Full Professor 4)

"This year they didn't have the discussions. My discussion was last spring." (Assistant Professor 4)

Some respondents also emphasized, that performance appraisal wasn't really a topic to rise in the informal discussions between colleagues over coffee. According to the interview data, most professors did not see performance appraisal creating team spirit or conversation in the university, but it was perceived more a minor routine, that does not really arouse discussion.

"I do not have a discussion with any colleague about the development discussion, because I think is a kind of minor issues. Because it's not to take too much time, development discussion is kind of routine and also take quite a long time, so is not so heavy. It's not heavy work." (Assistant Professor 2)

A few respondents did mention the role of performance appraisal being at least more visible than other HR practices, and also, performance appraisal was clearly not perceived to be as invisible in some units as it was in some others. A few respondents mentioned performance appraisal to have also positive aspects to it, but when discussing the visible role of the process, these answers were evidently a minority.

> *"Well to put it this way, I try to give feedback often and I think that the once a year is important, I've always held on to them and important to take care of and so on… But still I think that immediate feedback in the everyday is much more important." (Full Professor 1)*

> *"Of course before we also talk about it a little bit, like ah you have the discussion tomorrow and… So we have also this on the floor discussions over coffees, there is some more buzz and talk about it where everyone stands and that's good. […] I guess this is one of the few that stand out, at least we know that okay, this is happening every year. […] So yeah, it's definitely the major, I would say, the major HR practices that we really are visible for." (Assistant Professor 1)*

Nevertheless, it is interesting to note that even though the majority of the target group did not see performance appraisal's role to be significant or very visible, out of all the eleven professors interviewed for this study, nine had had an objective discussion in the spring months, as was recommended by the university management and HR. Only two had not had such discussions; the other one had received an invitation, but had turned it down; the other, as mentioned, was in the understanding that such discussions had not been conducted in their unit this spring. The process might not have a very visible role, according to the target group; yet, their actions speak, that the process is valued in the case university on some level, as it can clearly be noted from the interview data, that having the discussion seems to be a standard procedure.

All eleven interviewees perceived performance appraisal to be open and transparent. Most responses were very unambiguous, leaving no room for doubt or interpretation. A few interviewees did wish to underline, however, that even though the discussion process is open and transparent, the discussions themselves are private and confidential one-to-one discussions with the supervisor.

> *"Yes, in the sense that it mainly follows the same process. My aim is to provide all employees the same undisturbed occasion. And everyone has the right even though not everyone used it."(Full Professor 1)*

> *"Yes, I guess in a way. So I don't know, I guess everyone discusses the issues as they do […] one-to-one with the supervisor."(Assistant Professor 5)*

> *"Hmmm… it's not so open that… I mean it is a one-on-one… So in that context, sure. […] But of course you don't run to you colleague after the discussion [laughs] to tell him that I heard this and that." (Full Professor 6)*

Overall, the visibility of performance appraisal can be noted to be fairly high. All respondents were of the opinion that as a process, performance appraisal is open and transparent. Over a half of the respondents thought that performance appraisal has at least some emphasis in their unit. The employees mostly perceived performance appraisal to not play a visible role in their units, yet nearly everyone had yearly performance appraisal discussions with their supervisors. According to the interview data, the respondents seem to be on the same page when it comes to attitudes and perceptions of performance appraisal. Discussions with colleagues and supervisors were highly valued, but especially the more informal and frequent discussions were emphasized, instead of the annual, more formal performance appraisal discussions. The perceptions of visibility do not vary much between the two separate personnel groups, but instead both the assistant and the full professors seem to be fairly unanimous with their perceptions.

The factors influencing the visible performance appraisal process can be classified into two main themes. The first one is the formality of the performance appraisal process, which influences perceptions that can be interpreted to be mostly negative. However, even quite paradoxically, the other greater theme is the importance of interaction, which rose in nearly all of the interviews, and was seen as a very positive thing. These two factors seem to influence the perceptions of performance appraisal most.

4.1.2 The results of understandability

In the HRM practice context, understandability refers to a lack of ambiguity and comprehensiveness (Bowen & Ostroff 2004, 208); the degree to which the content and functioning of the HRM processes are clear to employees (Piening et.al. 2014, 548). In order to avoid multiple interpretations, employees must understand how an HRM practice works, and especially in unclear situations, profound differences might exist in categorizations between individuals (Bowen & Ostroff 2004, 208).

To get an idea of how employees perceive and understand performance appraisals in the case university, the interview target group was asked to state their opinions on the intended role of the discussions, the expected behaviors and attitudes, and also whether the discussions and the appraisal process were clear and understandable to them.

Most interviewees perceived the role and process of performance appraisal to be clear and understandable. Some pointed out, that they had heard notes of discord and criticism, and also the need for constant, instead of just annual, feedback and everyday discussions were brought up, but in general, the role and process of performance appraisal, according to the interviewees, can be interpreted to be clear and understandable.

> *"It has been criticized; I've heard comments here as well that it's a little vague. But I have myself understood the basic setting to be very clear, so that in it you view back and also forward in the three, even statutory areas [laughs] and well, I don't think it's unclear at all." (Full Professor 4)*

> *"Absolutely. I think everyone accepts it and even more, appreciates it and thinks it's good, a good idea. […] It's also us talking about, you know, where everyone stands and about everyone's situation and aim, goals, maybe also some problems." (Assistant Professor 1)*

> *"There's talk about performance appraisal and good leadership and so on, so I see clearly that [the discussions] are seamlessly related to that. But I kind of understand that the new generation is yearning for feedback, it's not at all enough and functioning, so in this sense I see that giving feedback on a more regular basis is much more important."(Full Professor 1)*

The intended role of performance appraisal was, according to the data gathered from the interviews, perceived very similarly throughout the professors. Many mentioned the important role of looking back and thinking about one's achievements, but also focusing on the future development, plans, and goals. All of this was then to be reflected on together with the supervisor, offering the employee a possibility for a confidential conversation, coaching, and feedback. According to the interview data, the aim of performance appraisal, in a nutshell, can be defined to ensure and support, that the employee is working towards the correct direction, and achieving his/her goals.

As can be seen from the following interview quotes, most interviewees viewed the issue from their own perspective, which was of course natural and even asked for in the beginning of the interview. Some, however, approached the question from a more ample and comprehensive perspective. The process was seen to be very department-based. However, as one respondent put it, a professor's development and achievements certainly benefit the university as well, which does make performance appraisal a mutual process.

> *"Well I think it's, like, to spar, to offer the possibility to have a confidential conversation about all kinds of issues related to your own work, also about future plans. […] You have the chance to discuss with a close colleague and supervisor. I think it's a good thing, and in the best case scenario, it might also be useful." (Full Professor 4)*

> *"I think the intended role is to see that… if this person suits the department in general, if he's doing a good job and would bring some benefits to the department. For example, if I'm on tenure track, they probably want to know how I proceed, if I have any papers close to*

submission, or if I have any papers revise and resubmit in good journals, and also what problems I have, and so and so." (Assistant Professor 4)

"I think it includes communicating [the faculty's] values, leadership by example, it allows the possibility to pause, reflect, receive feedback from the supervisor and also give feedback, and also kind of listen out for the team's feelings and issues that are not easily raised in the hustle and bustle of the everyday." (Full Professor 1)

"First this development discussion is for purpose of make a better department and also own career development. So in this sense I think it's very department-based. […] My own future development is also, it's benefit the school." (Assistant Professor 2)

A few respondents also mentioned that the performance appraisal process has an important role when things are not going well, or when addressing difficult issues. Regular discussions were seen as a good tool to address uncomfortable or sensitive matters, as well as for spotting unsatisfactory performance already at an early stage. A formalized setting might facilitate talking about difficult issues, especially in the case of e.g. geographical distance or personal traits, as was noted in the previous sub-chapter.

However, one respondent emphasized that problems should not be left to be dealt with in an annual conversation, but they should be taken up right when the problems actually occur. This is naturally the ideal, but not everyone feels comfortable talking about their problems over lunch.

"If there is really an issue, then of course, it's good to talk about it and not to just say okay, let's move on. How it is so far, it's also good to spot issues early enough, and that's why I think a regular discussions are definitely important." (Assistant Professor 1)

"Of course if there are problems, these formal processes comprise a much bigger role." (Full Professor 2)

"Let's say that it's a natural check point when things are not going well. If the teaching evaluation is decreasing, if there are no publications, well, that's the right occasion, where else would we deal with these issues. It's natural to check, once a year, that can we help, what can we do about it." (Full Professor 3)

As can be seen from the interview quotes above, most respondents approached the role of performance appraisal from a very work-related focus. However, some also mentioned the "soft" or more emotional aspect to work, and talked about things like well-being, coping, and how to handle work loads.

"The intended role is to help everyone involved in the unit, working for [the university] and [the unit] to achieve their goals and to also be happy here, and to in kind of performance well-being balance to just see what could be done in order to improve certain things. And help achieving what the unit expects a little bit, and also what are our individual aims and goals. It's more of offering support." (Assistant Professor 1)

> *"Well I do see it as knowing where we are going and how can we give support so that things would go as smoothly as possible, and also these well-being at work and coping are considered." (Full Professor 6)*

Nevertheless, some interviewees did not see significance in the performance appraisal process as such, but instead, perceived it to be useless, a formality among others to take care of. According to these respondents, performance appraisal was not seen necessary in well-working situations. They also criticized, that performance appraisal did not fit well into academia and academic work, especially to more senior academic positions, but was just adopted, or "copied", from firms.

> *"It's adopted from firms, where they have more concrete and short… a quarter year can in firms be… so it's a little problematic in a university organization, where one year is a very short time span to achieve your goals, especially on senior level. […] It was kind of an inside joke also… I remember an old colleague said that we adopt all the worst practices from firms, the development discussions and the 360-evaluations, which don't, like, fit into a university at all." (Full Professor 2)*

> *"To tell you the truth, I don't understand [laughs], because you shouldn't need these in a well-functioning unit. It was taken into use somehow by copying firms, that we need development discussions. And well I… I never really saw what the point was." (Full Professor 5)*

> *"If the job is more mechanic, where you can spin and stare at the annual clock, it might be fine. But if we are talking about excellence in research, and research projects that are run for over ten years, then the objective discussion is a pretty feeble instrument." (Full Professor 2)*

In addition, the fact, that academic work cannot be easily quantified, in order to measure performance and results, was mentioned in some interviews as a very problematic aspect of the formal performance appraisal process.

> *"Teaching is easy to document [quantitatively]. That's still easy, but with research and publications, if we are genuinely striving for the top journals, then it's not that easy. You just need to accept, that even top researchers have years, that there just aren't any publications, they are in process and so on… […] Maybe it should be emphasized that with professors, there might be many quieter years on the publication front, when you're conducting basic research and collecting data." (Full Professor 2)*

> *"It's even more difficult to define the objectives, like "go to this conference and make friends with this person" - you can't say that. Everyone has to figure it out on their own." (Full Professor 2)*

In the case university, a form is used to document performance appraisal discussions. In reality, the form should be a support tool for the discussions, but according to the interview data, the performance appraisal process seems to be commonly interpreted to be solely the form, or "the system", in which the discussions should be documented. As can be interpreted from the interview quotes, frequent face-to-face discussions between colleagues and supervisors are well appreciated in the case university. The formality of performance appraisal, however, and especially the form, were seen in an indifferent, or even negative, light.

> *"But what it has been is that oh, that needs to be done, and then it's done, and we can document it and so on." (Full Professor 6)*
>
> *"When you have to do it, then we do it. We try to take the pleasure out of it." (Full Professor 5)*
>
> *"I just tell my subordinates to document it in the system, because my supervision style is that we talk about these issues on a weekly basis anyway, and I don't see much point in a formal system." (Full Professor 2)*

With the intention of further shedding light to the understandability of performance appraisal, the target group interviewed for this thesis were also asked what they perceived the performance appraisal process to communicate to them about the expected behaviors and attitudes, and how well it motivated them to comply with these expectations. For some of the interviewees, the performance appraisal process did not seem to play a big role in their job and performance, but they were well aware, even without the discussions, of what they are supposed to do.

> *"In the big aims, I think I'm quite clear what we should achieve in terms of, you know, publications, teaching and also more and more societal impact. […] But [the discussion] did not really kind of change my understanding of what [the university] expects. More or less." (Assistant Professor 1)*
>
> *"I don't know. It's kind of that… I do know what I should be doing and… […] We talk about these issues anyway. […] So this is like a formality but… the substance's what counts, and we talk about it throughout the year anyway." (Full Professor 6)*

Some respondents perceived performance appraisal to be a useful tool for clarifying objectives on both the individual, as well as the job level. It was also seen important when reflecting on how the job is going, and the employee's own performance.

> *"We agree on the expectation of the school and department that we should have […] high quality publications. Of course it takes time, effort and… and also the review process, research process takes really long time. But say that we know this is our target, we need to prepare for that, and think about the solutions." (Assistant Professor 2)*
>
> *"I think that when you discuss, this supervisor here does what is good, what is not very good, and somehow emotionally you can understand if… if you are doing a good job or you have too many problems. I think you get some impression of that." (Assistant Professor 4)*

Not all responses can be interpreted to be positive, but instead, some perceptions of performance appraisal were much more critical, as can be seen from the quotes below. The process was seen to communicate, if anything, a bureaucratic attitude, which, according to the interview data, was clearly not seen in a positive light. Some responses even seemed to indicate, that performance appraisal itself was building up, or least adding to, pressure for employees, which was not seen as a very positive aspect.

> *"On the other hand, these discussions do communicate this certain kind of bureaucratic attitude. […] Sometimes [performance appraisal] feels like forced, something you just have to do. But this is probably because, from my point of view, things in our unit are working out so well, so.. it just feels useless to have such things." (Assistant Professor 3)*

> *"Maybe everyone here seems to perceive, or at least I do, that there are some expectations focusing on me, that I should have performed in a certain way, and that I should at least have something to say about my own future prospects and especially developing them. But on the other hand, this is the discussion where we can talk about the fears and anguish that have to do with such expectations. So I wouldn't say [the discussion] is there creating and adding to [fear and anguish], but it does somehow have something to do with." (Full Professor 4)*

As was noted earlier in this subchapter, the performance appraisal form was criticized somewhat throughout the interviews. However, when asking about what performance appraisal communicates about expected behaviors and attitudes, the form was, a bit surprisingly, brought up in just one interview.

> *"Well the form guides very strongly, what is asked in it and how. […] But I think it communicates of certain priorities, and of a certain kind of holistic performance appraisal, a pursuit to that. […] But there is no real surprise there, it has stayed the same for some years now, I think." (Full Professor 1)*

According to the above, the sole response with regard to the form, perceives it to have a very strong influence on which topics are expected to be covered in the discussions, which also communicates of what is prioritized and appreciated in the top management expectations. As the form was not mentioned in any of the other 10 interviews when asking about the expected behaviors and attitudes, it can perhaps be interpreted and generalized, that the form, although much criticized, does not seem to have much effect and influence on *how* the performance appraisal discussion is carried out.

According to the interview data, it can generally be interpreted, that performance appraisal itself does not really motivate the target group to comply with the expectations and attitudes they perceive the process to communicate to them. Instead, motivation is born from different reasons, mostly related to their job description and job demand, as well as the academic community. Once again, the performance appraisal process was seen mostly to be a routine, a formality, with no real significance.

> *"You cannot discuss, of course… in just one time discussion say, that based on this discussion, we can have an FT45 publication. It's impossible. […] Based on this development discussion that we are make sure that we are aiming at that. So we should make a prepare for that and also it's kind of long term target." (Assistant Professor 2)*

> *"Yeah, but the problem is that usually in my position, I'm trying to do my best. […] I'm not sure that it… it affects somehow my motivations, because I'm just trying to do my best, and if it gives results that are satisfactory. […] Then it gives some, like, impulse to work this issues, to continue to work this issues. […] But I think that if you are in this position, this tenure track position, so you already understand that you should work really hard. So I'm not sure the development discussion can be motivation for me." (Assistant Professor 4)*

> *"If the head of department says, that he doesn't put weight on objective discussions, that it's just something that has to be done. And then of course, if we think about how you position yourself as an employee, if your supervisor himself says it's not important. And then, we of course have them, because formally that's what you're supposed to do, but there is no significance." (Full Professor 3)*

However, the performance appraisal process did not seem to de-motivate the respondents, but according to the interviews, it does enjoy a certain social status, which motivates the employees to behave in a certain way, or enjoy a good conversation with a close colleague.

> *"Yes, at least in my case it has certainly helped, probably mostly because of the personal traits of those taking part in the discussions, and because of the well-functioning working relationship." (Full Professor 4)*

> *"Well, I hope that it's seen to be a positive thing, because it's not an incredible effort, the younger postdocs and doctoral students have to go through much more trouble with grant applications. […] I think it's perceived to be fairly positive, that we are interested in what they do and results, and I've at least tried to communicate to them, that they'd tell me, if they had some kind of trouble, so we could help them." (Full Professor 6)*

> *"We think that assistant professors should already be independent researchers, that they should take care of this themselves, to build their own research portfolio and research pipeline, but not everyone is able to. […] So we should really consider this from the individual's point of view and needs." (Full Professor 2)*

According to the interview data, most interviewees perceived the role and process of performance appraisal to be clear and understandable. The majority of the interviewees also perceived the intended role of performance appraisal fairly homogenously: to look back and think about one's achievements, to focus on the future development, plans and goals, and also act as an important tool, when bringing up difficult subjects and dealing with unsatisfactory performance. However, even if the intended role was understood fairly unanimously, many respondents did not see much point in performance appraisal as such, but much more value was put on other regular, more informal discussions. This was especially emphasized in the full professors' interviews, but also many assistant professors brought up the theme, too.

The perceptions of the expected attitudes and behaviors of performance appraisal varied much throughout the target group. When for some, especially on the assistant professor level, the yearly discussions were seen to be very beneficial, when reflecting on their standing and performance, others seem to be very aware of what is expected from them, even without the formal procedure. Even though performance appraisal was not perceived as a driving force to motivate and inspire the target group, it was neither seen as a de-motivating factor. Performance appraisal was perceived to be a bureaucratic process, which might in some cases even raise pressure for the professors.

The influencing factors, that stand out most in the understandability of performance appraisal, can again be interpreted to be the formality of the performance appraisal process, but also past experience of the process, good communication of expectations from the top management, and the nature of the academic community. The past experiences of performance appraisal can be seen to influence the perceptions of the process, as many respondents had very similar views on its role. Even if performance appraisal is perceived as a mere formality, the past experiences can be interpreted to have positive influence, as the target group did seem to have a broad, uniform picture of the role of the process. Many respondents claimed that they were quite aware of what they should do and what was expected of them, even without the help of a formalized performance appraisal process. This indicates that the top management has succeeded well in communicating the expectations to the employees, and this influence seems to be quite positive of nature.

4.1.3 The results of distinctiveness

The interview data shows that the distinctiveness of performance appraisal in the case university is fairly high. The process is very visible to the target group and there is common understanding of the process, but its relevance and usefulness to the target group can be interpreted to be questionable. The level of distinctiveness seems to fairly balanced between both of the personnel groups, with the exception of full professors being more critical toward the beneficiality of performance appraisal.

The formality of the performance appraisal process is one of the biggest factors to influence the perceptions of the performance appraisal distinctiveness in the case university. Other factors, that came up in the interviews, are the importance of regular interaction, the influence of past experiences, and the role of the top management in communicating e.g. expectations and tenure track criteria.

4.2 The consistency of performance appraisal

The characteristics of distinctiveness ensure that the HRM system as a whole is seen to have an important role in defining the social context for employee behavior. According to Bowen and Ostroff (2004), the second feature, consistency, complements this notion with the consistent model of instrumentalities across HRM practices, time, and employees, which adds the likelihood that certain desired behaviors are presented. Consistency can refer either to internal consistency or to internal alignment among the HRM processes (Sanders et.al. 2008, 414).

As has already been mentioned, the concept of consistency can be illustrated by three characteristics or metafeatures, which are instrumentality, validity, and consistent HRM messages. In this thesis, I have chosen to examine the two following metafeatures: the validity of the performance appraisal, as well as whether the target group perceives the HRM messages to be consistent. The next few subchapters shed light to these metafeatures.

4.2.1 The results of validity

In order to explore how employees in the case university perceive the validity of performance appraisal, the interviewees were asked three main questions. These questions had to with whether the employees thought the performance appraisal process helps them understand how they perform in their job, whether the process helps them improve their performance and their knowledge and skills, and also whether they thought the process helps them deliver desired results.

According to the interview data, the assistant professors, in general, seemed to be of the opinion, that performance appraisal does help them understand how they perform in their job, at least to some extent.

> *"Yes. […] The thing is that I think we only have our own impression, it's can not be like a numerical measurement." (Assistant Professor 2)*

> *"Yes, I think it helps somehow, yeah. It helps." (Assistant Professor 4)*

"Hmmm, well yes, to a certain extent." (Assistant Professor 5)

However, as can be seen from the quotes above, the replies in general were not very enthusiastic on the subject, and the comments can be perceived to be more neutral than positive. Performance appraisal does help in understanding their performance, but clearly this is not a top priority.

The full professors, however, generally had an opposite opinion to whether performance appraisal helps them understand their job performance. They did not see a connection there, or at least the relevance, if any, was seen to be very minor. As can be seen from the full professors' response quotes below, the majority of professors seemed to know what is expected from them and how they are performing.

"No, it doesn't. I'm sadly aware of it anyway." (Full Professor 5)

"Well I would say that… the significance is fairly minor." (Full Professor 3)

"I know what I should be doing and what I'm trying to do. Sometimes I ask a colleague for advice, and sometimes the colleague asks me for advice, or an opinion, or we think about the issues together, and so on." (Full Professor 6)

A few responses from full professors slightly differ from the bigger mass, as some full professors perceived the performance appraisal process to be useful to them, when reflecting on their own performance. Even if the professors are aware of their performance without performance appraisal, they nevertheless perceived the process to confirm or strengthen these reflections. Performance appraisal could therefore be seen as a supportive reflection tool.

"I always feel that I learn something from the discussion and possible feedback. And I can maybe set my work into a bigger framework, and that of course helps. It gives you self-understanding, self-confidence as well, and you realize, that maybe I'm on the right tracks here, and it's alright and so on, so yes, it helps in many ways." (Full Professor 4)

"Yes, in a sense, yes. Of course you know in the classroom, of course you know right away how the lecture went, and you get feedback from journals whether the paper's good or not, so in that sense there are many signals, like, now you're doing a good job and now you're not. But perhaps it's kind of a community recognition that you get from [performance appraisal]." (Full Professor 1)

As was noted before, the significance of day-to-day conversations was seen to be much more relevant than appraisal interviews once or twice a year. This was a subject that was emphasized throughout nearly all interviews. This can also be seen in the questions relating to the validity of performance appraisal. Individual needs should be considered, when designing a performance appraisal process.

> *"It's of course very good that you get the feedback and you have the systems for it, but I myself don't see it as coming from performance appraisal." (Assistant Professor 3)*
>
> *"I always say that simplicity is beauty, the process should be as light as possible. Then again, there should be enough for those, who require and want more support and think it's important to document it in the system. And supervisors should have the expertise to spot who needs which kind of supervision." (Full Professor 2)*
>
> *"One time a year as a formalized setting is good. And then, it's more important that everyone has self-initiative to ask, if there is something or ask for support. But I know, that some need more just the regular and more formal. It's like with students, when you work with PhD students, some are more autonomous, or want to be more autonomous, some want to have every month a clear set… you know, I'm happy with both. So in that sense, it's also about the supervisor has to identify who needs what and if some need more formalized settings." (Assistant Professor 1)*

Nearly all interviewees mentioned that the performance appraisal process does have an indirect influence to improving their performance and their knowledge and skills, and the process was seen to help deliver desired results, at least to some extent. None of the respondents emphasized a direct influence, but performance appraisal and one-on-one discussions with supervisors seemed to affect motivation, and to ensure and guarantee joint targets and a common direction, at least as one factor among many. As one respondent put it, a discussion with a supervisor does not itself produce high quality publications, but indirectly, it does steer towards that direction. The appraisal process was also perceived to help in concretizing common goals and targets.

> *"Not improve, I wouldn't say that, but maybe motivate… well alright, maybe improve and motivate in a sense, that maybe it doesn't improve the skills concretely, but there is a sort of benchmark and… yes, maybe in a sense, that you know where you stand compared to others." (Full Professor 1)*
>
> *"I think the influence is indirect. […] It's not like a direct influence, because like a publications can say yeah sure, this development discussion get one more… better publications." (Assistant Professor 2)*
>
> *"I wouldn't say it's like the main factor to improve the performance, or to understand how I'm doing in my job, but it adds something. Of course, it's useful… [..] [As] one of the factors yes." (Assistant Professor 4)*
>
> *"Well, it does very concretely embody the joint framework, the framework that the community forms, which is here to support each one of us. So in concretizing… Yes." (Full Professor 4)*

The assistant professors of the target group perceived performance appraisal to help them understand their performance, at least to some extent. Full professors, however, did not see such connection, or perceived the connection to be minor. To some, performance appraisal was perceived as a decent supportive reflection tool. Nearly all of the professors did, however, see an indirect connection between performance appraisal and performance in the form of motivation.

The validity of performance appraisal, according to the interview data, does not seem to be on a very strong level, even if the process does indirectly influence the professors' performance. Even if formalized discussions did not seem to play a big role in the perceptions of the target group, regular interaction was much emphasized, when discussing the validity of performance appraisal. The importance of regular interaction was one of the key influencing factors of this metafeature as well. However, if performance appraisal is to be maintained as one of the key HRM processes in the case university, the importance of individualizing the process was emphasized in some interviews. Also the important role of the supervisor was seen to be at the heart of the process. This refers to the formal performance appraisal system in the case university, being one of the main factors influencing employee perceptions. It also highlights the role of the supervisor.

4.2.2 The results of consistent HRM messages

Consistent HRM messages mean the compatibility and stability of the signals, that the HRM practices send. According to Piening et.al. (2014, 548), this refers to the degree of internal consistency. Bowen and Ostroff (2004, 211) have defined three types of consistency that is needed to avoid sending double-bind messages and to allow consistent perceptions of HRM content. These are 1) consistency among how the management defines an HRM practices goals, values, etc. and how the employees actually see them, 2) internal consistency among all HRM practices themselves, and 3) stability over time – meaning, that HRM practices are situational stimuli, and how one responds to them, depends on their prior encounters with the stimuli. In the performance appraisal context, avoiding double-bind messages by promoting internal consistency in the process, as well as stability over time, are in a crucial role.

To shed light on whether the interviewees perceived the messages regarding the performance appraisal process to be consistent, the professors were asked to describe what the communication regarding performance appraisal has been like. The interviewees were instructed to approach the topic from a broad point of view, and consider both written and spoken communication, meaning emails, face-to-face discussions, etc., and coming from different communicators, such as head of the department, HR, dean, university top management etc. The interviewees were also asked how they felt about the university's written performance appraisal material, referring to performance appraisal instructions, guidelines and forms.

According to the interview data, the overall feeling, especially regarding the spoken communication, can be interpreted to be positive. Face-to-face discussions seem to be much appreciated; a theme, that was emphasized throughout all interviews. The discussions were described to be interesting, positive and even inspirational, as can be seen from the selected interview quotes below. The professors seemed to value the time and effort their colleagues and/or supervisors put into the conversations, and a colleague's help and support in reflecting one's own work, could also been seen as an inspiration, as well as a motivational factor.

> *"I think it was nice. What I like in the discussions actually is that people they usually […] tell you some things… […]always, like, in kind tone. I didn't have any problems with the discussions in that sense, and I would say that still, the discussions which I have, after them I always feel some like additional […] inspiration to continue to work in the ways that I have been working. So they try to speak probably more about those good things and motivate you." (Assistant Professor 4)*

> *"I had a similar kind of discussion with the Dean this year. His invitation to the discussion was very inspiring, and the feeling was, that both of us together prepare for the interaction, and brush up on the news, and in this sense, we make our team even stronger. And I think this was very positive. And with my supervisor, the communication was much more informal and very true-to-life, I find that to be really supportive. […] So all in all, it has been appropriate, I would say supportive."(Full Professor 4)*

In some interviews, however, especially the written communication did not receive as positive reactions. Some people mentioned, that even though the communication was clear, they still had difficulty to motivate themselves to read the instructions. Thus many respondents admitted, that they had not familiarized themselves with the written material, such as instructions compiled by the university HR. Some interviewees also admitted to having ignored, both intentionally and unintentionally, email communication regarding performance appraisal.

> *"I think it's been quite clear. The only thing is how to motivate yourself to read the messages [laughs]. (Full Professor 5)*

> *"I think [communication regarding the performance appraisal process] is straightforward. But the things is that… I hope the document could be a little bit shorter. Because I think that this development discussion interface is just like a fill in form.[…] [The email with instructions]is a kind of long, and the progress explanation is also long… […] Personally, I*

feel is kind of little bit waste of time. To be so *clear about things,* too *clear. […] Too detailed." (Assistant Professor 2)*

"If there have been [email] messages, and because we already know the procedure so well, so it is possible, that you just haven't really read through it. I can't even remember how much communication there has beem. […] I don't think there has been a lot of communication about it, but this is just my view, I might just as well be wrong, it could be, that I just haven't really paid attention to it." (Assistant Professor 3)

Especially the form, that has been used as a performance appraisal tool in the case university, raised a lot of opinions. As has been mentioned before, the case university uses a performance appraisal form as a supportive element to the discussions. The primary form to use can be found from a specific web-based HR system. An identical form also exists in Microsoft word format. The form has been a constant topic of discussion in the case university for many years, and for this year, the form was slightly altered. The form was mentioned in all of the 11 interviews on more than one occasion, and throughout the interviews, and as was mentioned in the previous chapter, many respondents seem to interrelate the form and the discussion very closely.

Most of the comments regarding the form can, in general, be interpreted to be more negative than positive. The respondents found the form to be complicated, they complained it was too difficult to fill out without instructions – but then again, the instructions were too long and detailed. Some found the web-based system to be complicated, and some just questioned the whole point of the form all together. All in all, it could be interpreted from the interview data, that most respondents perceived the form to be something to be filled out for bureaucratic reasons only. Still, as one respondent wisely pointed out, the form has over the years progressed, and that modifying it was not seen as an easy task.

"You don't really know how to fill out the form without the instructions, it doesn't really open up. And it helped that I could see how my subordinates had filled out the form, and you could see some examples and be like oh, you could put this here, too. […] I mean, if I had just started to fill it out, there might not have been so much text. […] You don't always really know how to advertise or sell what you yourself do." (Full Professor 1)

"I just don't see the point. If the development discussion is meant for the supervisor to check up on you, then what is the form and the system needed for. It's just a pain. Like why do you have to report about them, I think it should be enough that the supervisor informs that it's done." (Full Professor 5)

"Well it's just that… I understand that it has to be general, but… The instructions are really long, and especially with the newer employees, well I think that I should have been more strict about it, because none of them had filled out the form. Well, they did do it afterwards. But they had really reasoned, that a discussion is a discussion, and that's it." (Full Professor 6)

However, not all comments about the form were solely negative. In contrast to the less positive comments, some respondents found the form to be fairly easy to fill out, even without reading manuals and instructions. One even mentioned a concrete benefit of the modified form. These positive-toned comments were, however, clearly in the minority.

> *"I really liked the forms. […] I liked them much more than entering this stuff into the system. […]I really saw it as a reflection tool as well for me, so I didn't think too much about impressing. But I thought just it's a nice way of summarizing again what I did." (Assistant Professor 1)*

> *"I had this case that I had one challenging team member and [the HR Manager] pointed out, that there is sort of a citizenship-thing on the new form. So it's not just about doing the job well, but also about being a good citizen in the team, and doing what your supervisor asks you to do, and working for the team, and so on. So that's when the form and its versatile use was first brought up. I thought that was really good, it might've not come up, if I didn't happen to have this real-life case." (Full Professor 1)*

> *"I think I browsed [the instructions] very quickly, so I think it was, yeah, very intuitive. It's probably the best sign, that I don't remember them too well anymore [laughs]. So there was definitely no problem." (Assistant Professor 1)*

One more respondent claimed to have been very happy with the form during the previous performance appraisal round. Interestingly enough, the form s/he was referring to, was actually not the form used throughout the university, but it was something, that was only used in one unit. Another interesting point was that there was one respondent, who had not even seen the whole form and instructions. The conclusion, that can be drawn from this is, that the practices seem to somewhat differ throughout the faculty.

> *"This year I felt it was really good, because we just used this webropol questionnaire, where you would just write what you have accomplished in research and teaching during the last year, or during a longer period. Maximum 150 words. And that was the basis for the discussion." (Assistant Professor 3)*

> *"Actually I haven't had that [forms or instructions]." (Assistant Professor 5)*

The interviewees were not specifically asked *who* the communication source in the communication situations was, but it can be noted from the interview data, that in most cases, the source of communication they referred to, is their supervisor. Many also mentioned the department HR, and the dean of the faculty, as communication sources. In addition, more informal discussions in e.g. the coffee room, were mentioned.

It was interesting to note, however, that in none of the responses, did anyone mention the university's top management or the university level HR as communication sources. As can be seen from the interview quotes below, one professor perceived the communication regarding performance appraisal to be much weaker on the grass-root level, than it had been in the top management, from where the specific professor had experience from.

> *"It's been from the community that's close... At least I haven't reacted, if there has been [communication from] somewhere else." (Assistant Professor 5)*
>
> *"Our HR responsible sends an email, that you should have [the discussions] and schedule them with your subordinates, and reminds me, and sends the forms in Finnish and English and… And then we just kind of agree with [a colleague] on who talks to whom, despite who is whose supervisor, so that I have the discussion with the ones I supervise, and he with the ones he supervises." (Full Professor 6)*
>
> *"Actually I think HR is hiding behind the process, because during the development discussions, is just between me and my supervisor, and he write the document. Of course, I receive notification from HR about we need to do that and explanations. But after discussion with supervisor, I don't have any interact with the HR. So there's no communication after that. […] I would like to know, how to say.. my performance compared to other assistant professors in the same term, to see what level I am." (Assistant Professor 2)*
>
> *"Well I think [the communication] has been good. Of course, I'm not in the top management team anymore and of course, there it was stronger. Here, on the lower levels, it doesn't push through the same way." (Full Professor 1)*

In general, the professors on both the assistant and full professor level, were very happy to discuss their work with peers. The role of regular interaction can be seen once again to be an important influencing factor in the performance appraisal perceptions.

The written part of performance appraisal did, however, raise opposite opinions. The form and the long instructions seemed to give the process a bureaucratic label, even though the conversations were actually much appreciated. This once again indicates a negative influence of the formalized performance appraisal process. It was also interesting to note, that one of the few positive comments about documenting the discussions, was actually not complementing the real form, but an altered one in use in the respondent's unit.

Communication related to performance appraisal was generally perceived to be more on a grass-root level, than coming from the top management of the university. Typical communication sources were supervisors and the department HR. Communication related to performance appraisal can thus be interpreted to be more operative than strategic.

4.2.3 The results of consistency

The level of consistency in the case university, based on the interview data, can be interpreted to be quite high, referring to the fact that the target group had fairly unanimous views on the validity of performance appraisal and the consistency of HRM messages. However, the unanimous attitudes and perceptions were quite negative toward performance appraisal.

The interviewed professors of the case university perceived the validity of performance appraisal to be quite low, even if the process is perceived to have some indirect influence on performance. However, it must be noted, that regular interaction was emphasized on both professorial levels also when talking about the validity of performance appraisal. Even if communication with peers was valued, written performance appraisal communication was still greeted with criticism by most professors.

The factors most influencing the consistent performance appraisal process can be interpreted to be the formality of the performance appraisal process, and the importance of regular interaction. The important role of the supervisor also came up, with specific regard to the individualization of the performance appraisal process.

4.3 The consensus of performance appraisal

The third and final metafeature defined by Bowen and Ostroff (2004) is Consensus, which in the HRM context refers to a situation, where employees agree on their view of the event-effect relationship (Sanders et.al. 2008, 414; Bowen & Ostroff 2004, 212). Consensus is likely to be formed, when employees perceive the message senders, e.g. managers and top management, to agree among themselves on the message. Bowen and Ostroff (ibid.) have emphasized, that when there is consensus, it is more probable, that more accurate attributions are made about which behaviors and responses lead to which consequences. The two metafeatures of consensus, agreement among principal HRM decision makers and fairness, can help advance the consensus among employees, and influence, whether individuals share perceptions.

The next subchapter aims to analyze the fairness of performance appraisal in the case university, as seen by the target group. As the concept of fairness is a very ample metafeature with its three different dimensions, it can justifiably represent the only metafeature of the third and final feature, when shedding light on whether there is consensus in performance appraisal in the case university.

4.3.1 The results of fairness

Fairness refers to the degree to which HRM practices follow the dimensions of distributive, procedural, and interactional justice (Piening et.al. 2014, 548), and to whether employees perceive a specific HRM system to be fair (Bowen & Ostroff 2004, 212). In the performance appraisal context, distributive justice refers to the fairness in the situation where an employee compares his or her efforts with the evaluation they have been given; procedural justice refers to the perceived fairness of the rater and the procedures; and interactional justice refers to the fairness of interaction between individuals during the performance appraisal discussion. (Erdogan 2002, 557 – 559)

Overall, the interviewed professors, at least according to the interview data, seemed to perceive performance appraisal to be quite fair. Some respondents mentioned that the question was not so much about fairness itself, that they had not experienced problems in reference to that. As one professor put it, his/her concern was more about the discussion process not being taken seriously enough in the case university. The professor also emphasized the supervisor's or department head's role to serve as an example to others in the unit.

> *"The fairness, or unfairness, isn't maybe a familiar angle for me, because I really haven't experienced any problems there." (Full Professor 1)*
>
> *"I don't know, the question of fairness… I don't see it as a problem here. But that people would take it more seriously. […] If the head of department says, that he doesn't put weight on objective discussions, that it's just something that has to be done. And then of course, if we think about how you position yourself as an employee, if your supervisor himself says it's not important. And then, we of course have them, because formally that's what you're supposed to do, but there is no significance." (Full Professor 3)*

One professor even raised the question of the appraisal process being too fair, and emphasized, that general processes might not always end up serving everyone in the best possible way.

> *"Well yes, it probably is, […] it's probably fair and justified, and it has this Scandinavian characteristic to it, that everything is always designed in accordance to the weakest link. So I think that the ones who find this the most ridiculous, are the very talented ones, who are doing a good job. […] So it really should be in the hands of the supervisor. When you design something for everyone, it ends up working for no one." (Full Professor 2)*

To illustrate the target groups' perceptions of the level of **distributive justice** of the performance appraisal process in the case university, the interviewed professors were asked whether they thought that, on the whole, the outcomes of performance appraisal reflect fairly their contribution to the organization, how it reflects the effort they have put into their work, and whether they thought that, on the whole, the outcomes of performance appraisal are fair, given their performance.

Most responses to the question of whether the interviewees perceived the outcomes of performance appraisal (e.g. rewards, career and development opportunities) to fairly reflect their contribution to the organization, had mainly a neutral tone to them. Some respondents stated, that they did not have many expectations related to performance appraisal in advance, so these expectations were fairly easy to exceed. Some admitted, that they had not prepared well for the discussion, as they presumed – and as was later confirmed - that the supervisor would not prepare well for the discussions, at least according to what the subordinate perceived to be a sufficient level.

> *"Yes yes, I haven't really had any expectations there either, so I don't see any problems here." (Full Professor 5)*

> *"Well, this is kind of a situation of which came first, the egg or the chicken. I presumed beforehand, that there is not so much in… the result is just the discussion. So I didn't put much effort into it. It's just that everyone believes, that they are doing the right thing here. When I was the head of the department, I would summarize each discussion with a few bullet points, as was instructed. That was at least something concrete, that came out the discussions. Now, we clearly did not do that." (Full Professor 3)*

Some responses could be interpreted to be not only neutral, but to have a positive tone to them. One respondent underlined, that as the professorial job can be seen to be more a calling than just a regular job, s/he really did not put much emphasis especially on monetary rewards, but saw the appreciation of colleagues to be a more important factor.

> *"I guess that's the goal of this, yeah. Well I think I would say yes, at least I try to at least produce that, or the supervisor tries to develop the form so that it reflects what I'm doing, and what I want to achieve, and what I contribute to. […] And everything is really about expressing and reflecting on your achievements. […] So yes I think that's, that should be the case, yeah." (Assistant Professor 1)*

> *"I somehow feel, that this job is largely a calling, so rewards don't play such a big role, and community recognition and supervisor's appreciation of what you do, are much more important. So the one time discussion, it doesn't itself make a big difference, because this is a calling and people are driven much by their inner motivation. Well, that's how I see it, you don't really measure whether you get a [monetary] compensation for what you do, the appreciation and recognition are more important." (Full Professor 1)*

In the case university, performance appraisal and salary discussions are two separate discussions, which are usually held during the same objective discussion session. However, the university's HRM decision makers have instructed that performance appraisal is an annual process, but the salary discussions are to be a discussion topic only biyearly. Monetary compensation, salary-related discussion, and other issues related to salaries and fees were excluded from the discussion topics in the interviews, and this was explicitly clarified to the interviewees before each interview. However, the interview data reveals that the only comments, that could be perceived to have a negative tone to them, had to do with salary-related issues.

> *"Actually, I would hope that if my performance last year, I could get a promote for example in my salaries. […] Within the three years [of tenure track], if your performance well, maybe you could get a small promotion from the salary levels. I think that could be nice."* When asked whether s/he could consider a non-monetary reward, the answer was*: "For me probably not. If I take time to show, then I would tend to prefer to focus on my own research." (Assistant Professor 2)*
>
> *"Well I don't think anyone's ever completely satisfied. But now there was a small adjustment [salary-wise] to that so… Well, salaries are classified, so I can't really compare my standing with others, but it's been unfortunate throughout the years, this mantra they keep telling you, that you really deserve a raise but there's no money. It's even been a bit annoying, but well.. you just gotta live with the financial realities." (Full Professor 6)*

Some respondents clearly emphasized, that as the salary and other monetary issues were agreed not to be a subject in the interviews, their responses were more positive than they perhaps would have been, had the monetary issues actually been a subject of discussion.

> *"When putting aside the salary aspect, and you sure can have many opinions on that, I would very positively say yes, they are justified. […] For sure, this doesn't at least prevent justice, but completely the opposite, it offers… I'd say that when the situation is looked into together like this, it surely opens up better possibilities for justice as well." (Full Professor 4)*
>
> *"Yes, I think so, to a large extent. Especially since we are not talking about the salary discussions here, so I've been quite satisfied with it. Meaning, that I don't have anything to complain about here." (Assistant Professor 3)*

Nearly all responses to the question of how performance appraisal reflects the effort they have put into their work, were also positive of nature. Most responses were very brief, affirmative answers, and the interviewees did not seem to have much more to say about the topic. However, some respondents also gave more thought to the issue. Monetary issues were raised here, too, but with less emphasis this time. One respondent raised the positive connection between what could be described as the most important currency in the case organizations, meaning publications in top journals, and one's own hard work. This also points to recognition by peers and top management, which was mentioned in a few other responses, too. It can be clearly interpreted from the interview data, that most respondents did see, that performance appraisal positively reflects the efforts they have put into their work.

> *"I would say more and more, yes. Mainly because of publications that come out more and more. And that's still kind of the most important currency. And I have really some nice achievements recently, which, I think, really also shows, that I'm quite happy with that, I think it reflects the hard work as well." (Assistant Professor 1)*

> *"Monetary compensations are one thing, and recognitions are another, so there have been some awards regarding that, not from the school, though, but from others." (Full Professor 6)*

> *"Well yes. I mean, everyone expects that if I develop myself like this, and even report about it, it would reflect to your career development and salary development, too. We know that in this case the means are limited, and these development discussions as such don't of course increase them. But in a way you can promote it by, for example, telling about myself, and also kind of marketing myself and giving more information about myself, so that when there might be a situation, in which I could be considered, there would be enough information about me. […] So I think these things have a positive effect." (Full Professor 4)*

To explore yet a third dimension of distributive justice, the interviewed professors were asked whether they perceived the outcomes of performance appraisal, on the whole, to be fair, given their performance. As in the previous dimension, here, too, the responses were affirmative and brief; the interviewees did not seem to have anything really negative to say about the issue.

> *"Well, my performance has been fairly modest now [laughs]. But if I thought I would have accomplished something, and that would not have been appreciated… No, I haven't felt that." (Full Professor 3)*

> *"Yeah, they were quite fair in my case." (Assistant Professor 4)*

It could also be the case, that the brief, affirmative responses were not referring to satisfaction alone but perhaps the interviewees do not see the question to be relevant at all, as one professor put it, and thus had little to say.

> *"Well, I don't think the question is really that relevant, because I don't do this just to get a reward. But maybe one thing I would hope for, is positive feedback, I don't think there is just ever enough of that. […] Official recognitions are one thing […] but the everyday doings, teachers and researchers might be really alone there. […] This is an expert organization, where the faculty is driven by strong inner motivation, so I think the top management should be there most of all to ensure good working conditions, and to keep up the positive spirit. That, I think, is the most important thing, the negative feedback just doesn't work in this community." (Full Professor 1)*

This professor emphasizes the fact, that at least this specific scholar in question does not pursue the career just for the sake of a reward, be it a monetary reward or recognition. As has been seen from previous responses, both are highly valued, but an academic career seems to be more a calling than merely just work, that is done in order to pay the bills and buy bread. Official recognition is just one driving force among others. Another issue equally as important is intrinsic motivation, which arises from e.g. positive feedback and satisfactory working conditions.

When putting aside monetary issues, the level of **distributive justice** in performance appraisal seems to be quite high in the case organization. The interviewed professors seemed to be fairly happy with how their contribution and efforts reflect the outcomes of performance appraisal. However, an interesting question to look into would be to see if the level of distributive justice would be as high, if the monetary questions had been considered in the interviews. Then again, as the academic career can be more a calling than a job, intrinsic motivation does seem to be more essential than monetary rewards.

Next, to draw a picture of the target groups' perceptions of **procedural justice** in the performance appraisal context, the interviewees were asked whether they thought performance appraisal was applied without bias and in a fair way; whether they felt they had influence over the decisions, that were made in the appraisal process; and whether they felt, that the appraisal was carried out based on accurate information. The professors were asked to consider the questions from two points of view: the fairness of the system, and the fairness of the rater, the latter referring to the supervisor who had the discussion with them.

The responses to whether the target group had experienced bias or unfairness in performance appraisal, were unanimous. Every one of the 11 professors felt that the performance appraisal process was applied without bias and in a fair way.

> *"Yeah, I would definitely say yes. By supervisor, for sure, and then from the system… […] I think yes, it's overall fine. And fair. The discussion [I had with the Dean] gave me some ideas, and also showed me a bit more about how the [case university's] [tenure track] system works, and also how fair it is, I think. […] I think that was very important there, with [the Dean], the discussion." (Assistant Professor 1)*
>
> *"No. I haven't experienced bias." (Full Professor 1)*

When the interviewees were asked whether they thought they had influence over the possible decisions that perhaps were made in the performance appraisal process, words like "of course" and "certainly", came up in many answers. This draws a clear picture of a situation, in which the subordinates, as subjects of appraisal, do have the possibility to influence on the decision-making concerning themselves.

> *"Yeah, I have always had the chance to influence." (Assistant Professor 3)*
>
> *"Yeah. I can very spontaneously say yes. For example, [the supervisor] asked me about my plans regarding the future, and I felt, that I could have an influence there." (Full Professor 4)*

However, many did mention, that such decisions were not really made in the performance appraisal discussions. Most decision-making seems to be done in other forums, such as in informal discussions, and a formalized performance appraisal process was not seen as a relevant decision-making forum. Some responses emphasized, that departments are very decentralized and independent, and decision-making is not solely a top-down process, but a more bottom-up approach is valued. Decision-making can also be a joint process, where the professors in a certain unit discuss the issues, and make the decisions together as a team.

One professor also mentioned that professors, especially the more senior ones, have the freedom to plan their teaching and research activities very independently. This is also ensured by academic freedom. These might even be issues, which are seldom discussed in the performance appraisal events. Therefore, the responses to whether the professors felt they had influence over the decisions made in performance appraisal, might not be based on empirical experiences. Instead, the reasons behind these responses might be theoretical, based on the overall leverage of professors in the case university.

> *"Well, I'm the head of the master's program, so I'm the one who decides on [teaching issues] anyway [laughs]. Well yeah, we agree on these things together, regarding teaching as well as other things. […] This is how we usually do it, by mutual discussions." (Full Professor 6)*
>
> *"Yeah I think… It could be some influence because [explains a situation related to a course that was developed on the basis of the performance appraisal discussion]. So something happened. But it can be discussed otherwise. […] So you don't need this discussion to… […] If you understand that you should do something else." (Assistant Professor 4)*
>
> *"It's like, implicitly of course… implicitly it's taken for granted, that people do their teaching as agreed on, people do their research independently, people are fairly self-oriented." (Full Professor 3)*

To get a full understanding of the level of procedural justice, the interviewees were asked whether they felt that their appraisal had been carried out based on accurate information about their performance, and the factors influencing it. Here, too, the responses were mostly affirmative and positive-toned. One could assume that this has to do with the fact, that objective discussions in the case university are generally carried out based on the form, which has been filled out by the subordinate, and not the supervisor. The employee him/herself writes down their merits in e.g. teaching and research. Clearly, this affects the perceptions that discussions are based on accurate information.

> *"I would say it's in the between of being very accurate or not, but I think it's… The form is prepared so that […] you have provided the details, but not too much. It could be perhaps more focused, but I like it as it is now. To tell more or less a story a little bit, and to write it out. What do you think are your main achievements and… It's not only ticking boxes, it's also describing, I think, a little bit more. So I think it's good, yeah." (Assistant Professor 1)*

One respondent also indicated that s/he believed the reason behind the accurate information to be the informal discussion style esteemed in the unit. Prior in his/her interview, the same respondent had, however, explained that their unit had used a short, 150-word questionnaire as the basis of the discussions. The questionnaire was much shorter and more informal than the official form, but clearly promoted the same thing.

> *"Yes, yes it was. Probably it's largely due to the fact, that we have had very informal discussions here lately." (Assistant Professor 3)*

The evaluation process is not exclusively based on what the subordinate has written on the form, but also other information is available for supervisors. The importance of a reciprocal discussion process was emphasized in the interviews. Besides the form, other information includes e.g. course evaluation and an annual number of publications. The fact, that at least some of this information is numeric, was seen to be a positive thing, since numeric data was perceived to be specific, reliable, and easily comparable to peers.

> *"Yes. For example, the course evaluation is specific numbers. Number of publications of course is specific. Then… I think yes. Because this is most important things." (Assistant Professor 2)*

Since the academic community is collegial, the status of full professors and their supervisors is slightly problematic and contradictory. It was explained in many interviews, that e.g. heads of departments are nominated for a fairly short term (2 – 3 years at a time), and leadership can be seen to be an administrative burden on top of other professorial activities.

> *"[Being the head of department] is an unreasonable burden […] which leads to people being in the position for just two years, during which you don't really get orientated and gain expertise in the job. […] And here you do the normal professorial work, and the department head's work on top of that. […] Professors might think that ok, I'll do my share as the supervisor for two years, it's not a long time to suffer, but it doesn't really produce good results, and then these development issues are those that always take a hit." (Full Professor 2)*

> *"We have a new head of department every two years at our department, and it's always a good question how much the department heads know about things like tenure track requirements and so on. I mean, it's always excellent, when the person you talk to knows about the substance of your discipline, but I think a discussion with the tenure track committee would be much more useful, as they are the ones that really know about the requirements, they are the ones that make the decisions." (Assistant Professor 3)*

In reference to such situations, supervisors are colleagues, who are in turn doing their share of leadership responsibilities. This contradiction was mentioned in some interviews, when discussing procedural justice of performance appraisal. The process may sometimes take the form of a collegial discussion instead of a supervisor appraising the subordinate, as can be seen from the quotes below.

> *"This community is essentially collegial, so the supervisor is more a colleague than a supervisor. So the discussion easily shifts to a discussion about [issues between colleagues]. If the supervisor doesn't take such a role, that now we'll consider your performance, your objectives, then that's it, he doesn't take it. […] If it's an objective discussion, the question is about objectives, but we didn't discuss such issues." (Full Professor 3)*

> *"My supervisor is my closest colleague, and over the years we have alternatively acted as each other's supervisors. […] So there's really no hierarchical structure, but that isn't relevant in this community anyway." [Full Professor 6)*

Overall, the level of **procedural justice** is, according to the interview data, very high in the case university. This interpretation can be drawn from very unanimous responses. Bias and unfairness did not seem to exist, and all respondents also felt, that they had influence over decision-making. However, it seems that performance appraisal in the case university is just one decision-making forum among many. Performance appraisal also seemed to be based on accurate information. These three dimensions together add up a high level of procedural justice.

Finally, the level of **interactional justice** was sought to be understood by asking the interviewees whether they thought that their supervisor treated them fairly in the performance appraisal discussion. The responses to this question were very resolute and unanimous: the respondents single-mindedly perceived their supervisor to have treated their subordinates' fairly in the performance appraisal process.

As was the case in many of the other questions related to the dimensions of fairness, responses were brief and positive. One response even indicated a surprise moment regarding the fairness of the supervisor. In this situation, the preparedness and the fairness of the supervisor had clearly exceeded the prior expectations of the subordinate.

> *"Yes, yes. In fact, even surprisingly fairly.[Explains a situation where the supervisor had made suggestions related to the professor's good performance]I hadn't even thought about it myself, so I was really surprised, when the suggestion came from that direction. That felt really nice." (Full Professor 1)*

> *"I don't think it's unfair. I think that could be the fairest process for me, that the supervisor is is very brutally honest in that hour. Because that's the only thing that helps. And of course, how you say it is of course, but it's very important to talk about some problems and as well, and what could be done better. And also, of course, praise the achievements. Yeah, I mean, fair process means very honest evaluation, but also offering recommendations." (Assistant Professor 1)*

Interactional justice, too, can be interpreted to be on a very high level in the case university. This is based on the fact that not one response indicated that their supervisor had treated the respondents unfairly or with bias, but all respondents found their supervisors to be extremely fair.

4.3.2 The results of consensus

Overall, the level of performance appraisal fairness in the case university can be seen to be very high, when approaching the issue from the three different perspectives of fairness. When putting aside monetary questions, **distributive justice** appears to be on quite a high level. The respondents had not experienced bias or unfairness, and they felt they had the power to influence, which adds up to a high level of **procedural justice**, and the level of **interactional justice** can even be interpreted to be highest of all three. Overall, the professors seemed to be very unanimous about performance appraisal fairness, and no significant differences could be found in the attitudes between the two professorial groups.

The factors influencing these perceptions can be interpreted to three themes: the role of the supervisor, the formality of the performance appraisal process, as well as colleague attitudes and recognition. The role of the supervisor was seen to be mostly positive, but it was also mentioned in a more negative light. A good relationship between the supervisor and the subordinate influences positive perceptions, as it seems to add inspiration and motivation, which makes the outcome of performance appraisal more fair. However, the role of collegiality, and especially its downsides, were also raised in the interviews. When the supervisor position is a rotating role between the department's professors, and the role is seen as an administrative burden, the subordinate might end up feeling, that his/her merits and achievements had not been truly discussed. Instead, departmental issues or other common issues related to work are raised in the discussions. The role of the supervisor does not therefore appear in unambiguously positive or negative light. The role of colleague attitudes and recognition, however, were seen as an important factor influencing the positive perceptions of performance appraisal.

The formality of the performance appraisal process was seen to influence fairness, as was the case in the other two features. Here, however, the form along with other information was seen to have a more positive influence when considering the accuracy of information considered in performance appraisal. Basing the appraisal interview on forms filled out by employees, as well as other relevant, quantitative information, allows the discussions to be based on accurate information. This could be interpreted to be a positive factor to the target group.

Monetary issues were also mentioned on several occasions to be factors influencing the employee perceptions. However, as monetary issues were agreed to be delineated from the framework of this study, these influencing factors are not considered in this thesis.

5 CONCLUSIONS AND DISCUSSION

The aim of this thesis was to understand how performance appraisal is perceived in the case university, and which factors influence these perceptions. Bowen and Ostroff (2004) have argued, that to enhance the likelihood of employees interpreting the messages conveyed by HRM in a uniform manner, employees should perceive HRM as being distinctive, consistent, and consensual. In this thesis, I explored how individual employees perceive the given HRM process through the three basic process features of a strong HRM system, and five of their nine metafeatures.

The research questions of this study were:

What are the individual employee perceptions of the distinctiveness, consistency, and consensus of performance appraisal in university settings, and which factors influence these perceptions?

and

Do these individual employee perceptions amount to common sensemaking, creating a strong organizational climate in the case university?

In the fifth and final chapter of this thesis, I will attempt to respond to the research questions. Owing to this, I will aim to define whether the organizational climate of the specific faculty in the case university can be considered to be strong or weak. Drawing from Bowen and Ostroff's (2004) theory, the next subchapter 5.1 summarizes the target groups' perceptions of the distinctiveness, consistency, and consensus of performance appraisal in the case university. Then, in chapter 5.2, I will respond to the second research question of whether the individual employee perceptions amount to common sensemaking, and whether that has created a strong or a weak organizational climate.

The second part of this chapter, chapter 5.3, is devoted to a reflection about this study. In this subchapter, I will examine the scientific and empirical contribution of this study compared to previous research. I have also collected a number of ideas for further research, which I will also introduce at the end of that subchapter.

The final part of this chapter, chapter 5.4, summarizes what can be learned from all this. In this final subchapter, I briefly discuss how the performance appraisal process could be improved and what can be learned from the results of this study.

5.1 Summary of the results

Bowen and Ostroff (2004) have argued that when the messages communicated through the HRM system are clear, employees can develop shared interpretations of performance expectations. This can result in a strong organizational climate. The strength of the HRM system can therefore be seen as a link to building shared perceptions, attitudes, and behaviors among employees. As has been already said on many occasions, when the certain set of characteristics, that allow HRM systems to create strong situations, is high, it can create strong influence situations, in which employees can share constructions of the situation. (ibid. 207 – 208) In what follows, I will briefly summarize the results of this study.

5.1.1 Distinctiveness

The study of the distinctiveness of performance appraisal focused on two of the four metafeatures defined by Bowen and Ostroff (2004), the *visibility* and *understandability* of performance appraisal.

The *visibility* of the performance appraisal process was, according to the results of this study, on a fairly high level. Research has defined the visibility of HRM practices to refer to the degree to which employees have a clear understanding of which HR practices are offered in the organization (Piening et. al. 2014, 548). According to the results of this thesis, the majority of respondents found performance appraisal to be a neutral or positive process, which had some, though not significant, emphasis in their units. Nearly everyone had nevertheless had a performance appraisal discussion during the ongoing year. According to the results, performance appraisal can be interpreted to be clearly among the most visible HRM practices in the case university. Bowen and Ostroff (2004, 208) have argued that HRM practices need to be salient and visible in order to accumulate to a strong organizational situation, and that visibility is likely to be higher when HRM practices affect large numbers of employees.

Interaction with colleagues and supervisors was emphasized throughout the interviews, and the downside of performance appraisal, it appears, is clearly not the part that "forces" people to discuss with peers. As one professor put it, "it kind of feels that you're forced to have it, but in the end it turns out to be positive". The downside is, however, the forms and other "bureaucratic formalities", that seem to decrease the enthusiasm for interaction with peers. Performance appraisal was seen to be especially important in situations, where interaction with the supervisor was not regular or when problems occurred.

When discussing the characteristics of *understandability*, the target group professors did find the process to be clear and understandable, and the process was widely perceived in a very homogenous way. Bowen and Ostroff (2004, 208) have argued, that employees must understand how an HRM practice works, in order to avoid multiple interpretations of the practice. According to the interview data, performance appraisal's role was seen not only to look back at past achievements, but also to reflect on the future development, plans and goals with the supervisor, whilst also offering a chance for coaching, ensuring the right direction, and a confidential conversation and feedback. This clearly points out that interpretations of the process are mostly unanimous.

Understandability refers to a lack of ambiguity and comprehensiveness in the content of a certain HRM process (Bowen & Ostroff 2004, 208). The use of the performance appraisal form and the web-based system were not well understood within the target group. In addition, the process was not seen to have much emphasis on understanding personal performance and job expectations, but the case university does seem to use other functional channels to communicate e.g. career expectations to professors. This does not make performance appraisal's role vital. Performance appraisal was not seen as a motivator, but neither was it described as a de-motivating factor.

The *distinctiveness* of performance appraisal can be interpreted to be fairly high, even though the relevance of a formalized process was questioned in many of the interviews. The distinctiveness of a situation refers to the event-effect being highly observable (Bowen & Ostroff 2004, 208). In the case university, the performance appraisal process was understood in a homogenous way, and it was definitely among the most visible HRM practices in the case university. The distinctiveness of a situation refers to situation characteristics that "allow it to stand out in the environment, thereby capturing attention and arousing interest" (Bowen & Ostroff 2004), which means that the characteristics of the performance appraisal system distinguish it from others. This speaks for performance appraisal having a distinctive role in the case university.

Even if the process was not seen to be a very useful tool in a well-working organizational climate, interaction with peers was much valued throughout the target group. The characteristics of distinctiveness ensure that the HRM system as a whole is seen to have an important role in defining the social context for employee behavior (Bowen & Ostroff 2004). Many professors were reluctant to relinquish the process all together, even if they were not overly enthusiastic about it. Regular interaction is of course vital, but discussions over lunch or coffee might not really touch the essence of personal development, plans and goals. Colleagues might be aware of each other's achievements and merits, but offering a formalized discussion about future aims, is an enormously important asset especially for younger scholars, who are new to academia and do not necessarily know in which direction they should be heading, and which are the tools, competences and know-how that could support them in reaching those destinations. Performance appraisal plays a very important role here, also as defining the social context for employees. All in all, it seems that formalized discussions once a year seem to be a good idea.

5.1.2 Consistency

The study of the consistency of performance appraisal focused on two of the three metafeatures defined by Bowen and Ostroff (2004), the *validity* of performance appraisal, and the *consistency of HRM messages*.

In general, the *validity* of the performance appraisal process did not seem to be very high in the case university, even if the majority of the target group did perceive it to have some indirect influence on improving their performance, knowledge and skills. Validity is said to have an important role in signaling to employees which KSA's are valued (Bowen & Ostroff 2004). However, the responses to whether performance appraisal helps the professors understand how they perform in their job, were two-fold according to the personnel group: the assistant professors mostly perceived it to have some influence, at least as one factor among others. Performance appraisal and one-on-one discussions with supervisors seemed to affect motivation and to ensure and guarantee joint targets as well as common direction. The full professors instead did not see a connection here.

Validity as a metafeature plays an important role, because individuals, when making attributions of the received message, also try to determine its validity (Fiske & Taylor 1991, cited by Bowen & Ostroff 2004, 210). According to the results of this study, the significance of day-to-day conversations was seen to be much more relevant than appraisal interviews once or twice a year. In order for HRM processes to be strong, they need to be consistent with regard to objectives and outcomes, which means that there must be consistency among what the processes intend to do, and what they actually do (Piening et.al. 2014, 548). The message to the employees is contradictory when a practice, that is promoted to have certain effects, is taken into use, but in reality does not do what it was originally intended. This leads to employees developing their own idiosyncratic explanations of the message. (Bowen & Ostroff 2004) In many of the interviews, the performance appraisal form was perceived to be indistinguishable from the whole process. Performance appraisal was seen to be a tick-the-box practice, that is just “marked in the system”.

From this can be interpreted that the level of performance appraisal validity would probably be higher, if the role of the form was smaller. Even if formalized discussions did not seem to play a big role in the perceptions of the target group, regular interaction was emphasized when talking about the validity of performance appraisal. A fine balance between these two factors could perhaps be the key to increasing the level of validity. Also the individualization of the process would be likely to play an important role in increasing the validity.

The next metafeature, consistent *HRM messages,* faces similar challenges. The metafeature refers to the compatibility and stability of the signals, which the HRM practices send, therefore referring to the degree of internal consistency (Piening et.al. 2014, 548). Lack of consistency in difficult, contradictory situations, or in other words, double-bind communication, can lead to excessive cognitive dissonance (Bowen & Ostroff 2004, 43). Avoiding double-bind messages by promoting internal consistency is necessary in order to increase the potentiality of a strong situation.

In general, face-to-face conversations were much valued, and the professors were very happy to discuss their work with peers. The written communication, however, was not greeted with such enthusiasm. Long instructions, bureaucratic feel, and once again, the form, were mentioned as unsatisfactory issues. Bowen and Ostroff (2004, 211) have noted three types of consistency, that is needed in order to avoid double-bind messages. First, consistency is needed in what the management says, and what it in reality does. If the form is not the one that should be in a center role in performance appraisal, but instead, the actual discussion, then this should be communicated to the employees more clearly. It can be interpreted that this is not the case now, as the target group perceptions show itself in an opposite light.

Second, internal consistency should occur among the HRM practices themselves (Bowen & Ostroff 2004, 43). A performance appraisal model, built and designed to better serve the academic employees and careers, would more likely increase employee satisfaction towards the process than a practice adopted from firms. For example, the nature of academic work should be taken into consideration in objective-setting.

The third type of consistency listed by Bowen and Ostroff (2004, 211), is stability over time, referring to a situation where employee perceptions of what is expected from them, are widely agreed on in an organization. In this specific organization, performance appraisal has been in use for years, and professors were very accustomed to it. In fact, they seemed to be so accustomed to it, that many respondents admitted to not reading the instructions for the current year's performance appraisal round. Therefore, many had altogether neglected e.g. the name change or any other changes in the process itself. Situations like these may lead to employees conducting performance appraisal just as it has always been done, and might therefore miss out on new instructions, or even a leaner new process. Familiarity with a process cannot therefore always be seen as a solely positive factor.

Consistent HRM practices refer to a consistent model of instrumentalities across HRM practices, time, and employees, and therefore increases the likelihood of certain features being present (Bowen & Ostroff 2004, 41). Consistency refers to internal consistency or internal alignment among HRM processes (Sanders et.al. 2008, 414). In general, the level of consistency in the case university can be interpreted to be quite high, when referring to the target group's rather homogenous views on the validity of performance appraisal and the consistency of HRM messages. However, the unanimous attitudes and perceptions were quite negative toward performance appraisal. This clearly highlights the notion, that performance appraisal has not been perceived by the employees as has been intended. Defining the level of consistency is therefore somewhat contradictory.

5.1.3 Consensus

The study of the consensus of performance appraisal focused on the other of the two metafeatures defined by Bowen and Ostroff (2004), the *fairness* of performance appraisal. Fairness refers to the degree to which HRM practices follow the dimensions of distributive, procedural, and interactional justice (Piening et.al. 2014, 548), and to whether employees perceive a specific HRM practice to be fair (Bowen & Ostroff 2004, 212).

In the performance appraisal context, distributive justice refers to the fairness in the situation where an employee compares his or her efforts with the evaluation they have been given (Erdogan 2002, 557 – 559). The level of distributive justice can be seen to be quite high in the case university, as the target group was satisfied with how their contribution and effort reflect the outcomes of performance appraisal. However, it could be clearly understood from the interview data, that the results would most likely be quite different, had the focus in the interviews been also on monetary issues, even if intrinsic motivation was emphasized in academic work.

Procedural justice refers to the perceived fairness of the rater and the procedures (Erdogan 2002, 557 – 559). In the case university, procedural justice can be interpreted to be on a very high level. Bias and unfairness was not experienced among the target group, and the interviewed employees felt they had a chance to influence both the information, on which the discussion was based, as well as possible decisions, that were made in the discussions. Performance appraisal was not seen as a significant decision-making forum, however, but decisions seem to be made in other forums, which could have influenced the positive answers.

Interactional justice refers to the fairness of interaction between individuals during the performance appraisal discussion (Erdogan 2002, 557 – 559). This, too, was on a very high level in the case university, because, as according to the target group professors, no one had been treated unfairly or experienced bias by their supervisors.

The perceived fairness of HRM affects how positively HRM activity is seen. Many researchers have found a positive connection between perceptions of HRM fairness and the acceptability criterion of HRM practices, which refer to the extent to which employees contribute to and utilize specific HRM practices. (Bowen & Ostroff 2004) Fairness of performance appraisals is also an important factor, when considering their effectiveness and usefulness for organizations (Erdogan 2002, 555). The level of performance appraisal fairness can be seen to be extremely high, even if the target group professors understated the significance of the process. One reason for this could be the appreciation for colleague interaction, which could be clearly interpreted from the interviews. Even if performance appraisal as a process wasn't praised, an appreciation for discussions among peers, referring to the *content* of the process, could influence the positive affirmations of fairness in performance appraisal.

The consensus of a situation refers to the agreement among the individuals' perceptions of the event-effect relationship (Bowen & Ostroff 2004, 208). Overall, the level of consensus can be seen to be on a very high level in the case university, based on the perceptions of performance appraisal fairness.

5.2 The level of organizational climate

The distinctiveness, consistency, and consensus of the HRM system have an "important signaling capacity" (Sumelius et.al. 2014, 3). Employees can develop shared interpretations of the performance expectations when the messages communicated through the HRM system are clear, which leads to a strong organizational climate. The strength of the HRM system is a linking mechanism, that builds shared perceptions, attitudes, and behaviors among employees. (Bowen & Ostroff, 2004) In order for HRM practices to have such effects, they have to be perceived and understood in a mutual way (Nishii et.al. 2008). This is also described very graphically in Wright and Nishii's (2007, 10) process image, which was introduced as Figure 1 earlier in the theoretical framework of this study. The figure indicates, that the perceptions of HR practices and employee reactions on the individual level, can lead to organization performance on the job group level.

According to the findings of this study, both the performance appraisal content and process are clearly perceived and understood in a mutual way throughout the group of respondents. In a strong situation, employee perceptions do no differ much from each other, but will instead reflect a "common desired content" (Bowen & Ostroff 2004, 213). As has been explained in the previous subchapters, the distinctiveness and consensus of performance appraisal can be interpreted to be on a high level. Also the level of consistency is high, when considering the mutual perceptions regarding *the content* of performance appraisal.

However, *as a process*, performance appraisal consistency cannot be interpreted to be as high.

The content and process of an HRM system are its two interrelated features. A one-sided approach to explaining performance has been criticized by e.g. Bowen and Ostroff (2004), who emphasized, that both features should be taken into consideration, when explaining organizational performance. The content of an HRM process refers to individual practices and policies, through which organizations can achieve their objectives (Katou et.al. 2014). It is the adopted set of practices, which are driven by the organization's goals and objectives (Bowen & Ostroff 2004, 206). The HRM processes, on the other hand, are signaling systems through which the organization communicates desired behaviors to employees (Katou et.al. 2014; Bowen & Ostroff 2004). The process-based approach emphasizes the importance of the psychological processes through which employees perceive HRM, when explaining the relationship between HRM and organizational performance (Sanders & Yang 2015).

An important finding of this study is that, all in all, the features do reflect a common content. This is due to the fact that, according to the findings, the employee perceptions of performance appraisal do not differ much from each other. A strong HRM can foster similar viewpoints so that the situation leads to employees 'seeing' the situation similarly (Bowen & Ostroff 2004, 213), as seems to be the case in this study. However, the results do vary, depending on which interrelated perspective of HRM they are examined on: the *content* or the *process*. It seems that when performance appraisal in the case university is analyzed in the *content* framework, the organizational climate around it can indeed be interpreted to be very strong. When exploring the issue against the framework of the performance appraisal *process*, the employee perceptions are continuously uniform, but according to Bowen and Ostroff's (2004) definitions, the level of organizational climate is not very strong.

In a strong HRM system, the outcome of a collective sensemaking process is usually an *intended* organizational climate. In a weak system, on the other hand, employees are left to interpret the message individually, which might lead to either variance or unintended sensemaking. (Bowen & Ostroff 2004, 213) The outcomes of HRM might vary between individuals or throughout the organization, if employees cannot understand HRM in the way it was meant by the management (Sanders & Yang 2015). A weak HRM process is unlikely to boost organizational effectiveness, as "it creates a weak situation in which either individual processes dominate or collective sensemaking results in shared interpretations that may be inconsistent with organizational strategic goals" (Bowen & Ostroff 2004, 214).

It may be considered, that the employee perceptions of performance appraisal, as according to the findings of this study, are not outcomes, which are intended by the top management of the case university. Even though the situation content-wise seems to be strong, process-wise it has led to unintended sensemaking of the process. Bowen and Ostroff (2004, 241) have pointed out, that collective interpretations are not always those intended by the organization, which might lead to a situation, in which a strong organizational climate does in fact emerge, but it will not as such match the intended climate content. This might lead to conflicts with the organization's goals or strategies. According to the findings of this study, performance appraisal is not perceived to be a very significant tool in communicating expectations of behaviors, attitudes, and performance to employees. The professors seemed to be very aware of what was expected from them, but not with the help of this specific process. Instead, they had gained understanding through other communication channels or forums. This points to a strong situation, which is clearly one intended by the organization. It just seems that *performance appraisal*, as a *process*, does not play a role in this communication process. Strong HRM processes can increase organizational performance, which owes to shared meanings in promotion of collective responses (Bowen & Ostroff 2004, 213). It seems that a strong organizational climate has emerged, but not with the help of performance appraisal, but via some other channel of communication.

According to the findings of this study, these other forums of communication can be seen to be well-functioning and clear tools for communicating expected behaviors, attitudes, and performance. In this study, the focus was on a sole HRM process instead of the wide array of all the practices. This did make sense, as HRM processes are not a uniform practice, and the situation can be understood more clearly, when one process is under spotlight at a time. This study did not therefore consider the other possible communication channels, but does acknowledge, that further research on the subject would be very interesting.

Organizational climate, compared to organizational culture, is a more unstable structure, which is easier to change. It is a shared perception of both formal and informal policies, procedures, and practices (Bowen & Ostroff 2004; Reichers & Schneider 2011). It is the shared perception of "the way things are around here" (Reichers & Schneider 2011, 116) or something "that is felt" (Mullins 2010, 748), opposed to organizational culture, which refers more to “how it feels to work around here” (Mullins 2010, 748). Organizational climate is therefore easy, or at least easier, to change, which means that the employee perceptions of performance appraisal would probably be fairly easy to improve, too. According to the empirical results of this study, the two main factors influencing perceptions of performance appraisal were the formality of the performance appraisal process, and the importance of regular interaction. These two factors came up in reference to each of the three features. Other important, even though less emphasized factors in my thesis, were colleague attitudes and recognition, and the influence of past performance appraisal experiences. In addition, the role of the supervisor, as well as the role of the top management in communicating expectations, were mentioned.

By considering the two main influence factors of this study, the performance appraisal process in the case university could be improved, which could lead to improvement in the distinctiveness, consistency and consensus of the process itself. Even though the organizational climate was in this study interpreted to be strong, performance appraisal *as a process* was not. Bowen and Ostroff (2004, 206) have claimed that different sets of practices can be equally as effective as others, as long as they take into consideration the specific organizational climate. On the other hand, a one and only organizational climate does not necessarily exist throughout the organization, but many different climates may exist on different levels of analysis. (Bowen & Ostroff 2004, 241) This may mean different subclimates in different parts of the organization: departments, groups, team, etc.

Even though attaining and maintaining a strong organizational climate is presumably the main objective, and not *how* it is reached, it is nevertheless pointless to maintain such HRM practices that are perceived to be useless. Performance appraisal is a critical process to maintain in the case university’s array of HRM practices; not only because the target professors put so much value to regular interaction, as was seen in the results of this study, but also because performance appraisal is in relevant literature defined to be one of the key HRM processes (e.g. Kauhanen 2010; Sumelius et.al. 2014; Sydänmaanlakka 2000). This is why, in the last subchapter of this thesis, the reader can see some concrete suggestions that are made in order to improve performance appraisal in the case university.

The research questions of this study were to find out what the individual employee perceptions of the distinctiveness, consistency, and consensus of performance appraisal are in the case university, which factors influence these perceptions, and whether these perceptions amount to common sensemaking, creating a strong organizational climate. As has been seen emphasized throughout this subchapter, the features of performance appraisal can altogether be interpreted to be strong, especially when it is examined from the content perspective. The process was not necessarily valued in its present form as such, which leads to conclusions, that when examining performance appraisal solely from the *process* perspective, it cannot be interpreted to be as strong. Instead, when placing it in Bowen and Ostroff's (2004) framework, it can even be seen to be weak. An important finding of this study is therefore to acknowledge, that the level of organizational climate may vary, when examined from the two interrelated perspectives of HRM. As Bowen and Ostroff have pointed out, a single organizational climate might not exist, and the same seems to apply for the *level* of organizational climate. It all depends on from which perspective the matter is examined.

The two main factors influencing the perceptions were the more positive-toned importance of regular interaction, and on the other hand, formality of the performance appraisal process, which had more negative connotations. It is interesting to see, that the two most powerful influence factors appear to exist on completely different ends of the scale, with the other one having a very positive influence on the matter, and the other one with a much more negative influence. From this can be concluded, that performance appraisal seems to be a very controversial HRM process.

To briefly summarize the findings of this study, it should be acknowledged, that the level of organizational climate might differ even quite drastically, depending on whether the issue is examined from the content or the process perspective. Bowen and Ostroff's framework does not therefore provide a simple one way to approach HRM, but instead, it puts much responsibility into the hands of the investigator to consider all perspectives when drawing conclusions. It is also vitally important to pay close attention to the factors that influence the organizational climate, and by this, aim to change the things with negative influence. Organizational climate is, after all, easy – or at least easier – to change than organizational culture would be, and no organization should maintain practices that foster negative effects.

Earlier in this study, it was pondered whether Bowen and Ostroff's framework would ideally fit the needs, requirements, and characteristics of a university organization. After all, the model was originally developed to increase firm performance, and university organizations differ quite markedly from the market-driven private sector, even if academia today has shifted more towards managerialism and a more competitive organizational culture. Yet, the academic community and academic work are still quite far from the private sector firms. Does such a model function in an academic organization, when examining the level of organizational climates in HRM?

According to the findings of this study, my answer to the above question is yes. The features and metafeatures in Bowen and Ostroff's theory are quite general of nature. University organizations can surely maintain HRM practices that are distinctive, consistent and consensual. Such features are not unique to firms only. The framework can therefore be quite easily applied to the academic context as well as to other diverse organizational settings. Based on my empirical findings, I am of the opinion that Bowen and Ostroff's theory can therefore be used also in the academic context, when aiming to define the level of organizational climate.

That said, I will in the last sub-chapter define my views on how the performance appraisal process could be improved in the case university, in order to simultaneously improve the level of organizational climate also from the *process* approach.

5.3 Theoretical and scientific contribution and future research

Bowen and Ostroff (2004, 215) expressed the need for further research on the properties of the HRM process, in order "to delineate how these processes influence the attributes of the work situation as perceived by employees", and that the metafeatures in their framework must be tested in order to find out whether they in reality create strong situations. My thesis has been an answer to this call. In this study, I have tested Bowen and Ostroff's theoretical framework to see whether the metafeatures create a strong organizational climate in the case organization. Based on the findings of this study, I came to the conclusion that the level of organizational climate might vary quite drastically depending on whether the metafeatures are examined from the content or the process perspective. I discovered that the organizational climate in the case university was very strong, when approaching the question from the performance appraisal content perspective. When examining it from the process perspective, the level of organizational climate was not nearly as strong, but instead, it looked even quite weak. Basing my opinion on my findings, I find that Bowen and Ostroff's theory, as such, does not unambiguously answer to the question of whether the level is strong or weak, but instead, the researcher has a lot of responsibility defining this. In addition, the theory does not really emphasize the factors influencing the employee perceptions. Again, basing my opinion on the findings of this study, I think identifying the influencing factors should be in a key role when studying employee perceptions, because the only way to change employee perceptions leading to strong or weak organizational situations would be to change the factors that influence them. The theory therefore does not appear to be rigorous, even if it has proven to be a very handy tool in defining organizational performance.

The results of this study are on some parts similar to the results of previous studies. For example, Wright and Nishii (2007) found that not HRM practices alone, but the employee perceptions of the practices, advance the shared perceptions, and with that consecutively contribute to the development of a strong HRM system. According to the findings of my study, performance appraisal as a process did not as such create a strong organizational climate. Instead, the employee perceptions and positive attitudes toward interaction among peers, were important driving forces in the creation of the strong organizational climate. In 2014, Sumelius et.al. conducted a study with a very similar research design as mine. They then noted that there had been a lack of research examining the effect of organizational-level phenomena on individual-level processes. Their findings of the influencing factors of the employee perceptions were on some part very similar to the ones in my study. Their findings show, that perceptions of the performance appraisal process are driven by a number of influences, such as top management internationalization, formal system design, supervisor capability/commitment, and the attitudes of colleagues (ibid.). In this thesis, the two main influence factors found were equivalent to Sumelius's and her colleagues' formal system design and the attitudes of colleagues, as the factors mostly influencing the perceptions of the target group professors were the formality of the performance appraisal process and the importance of regular interaction. Supervisor capability/commitment was also brought up in the influence themes of this study. It is interesting to see, that the findings can be somewhat similar in these two studies, even if the case organizations differ substantially from each other (university settings vs. multinational corporations).

Even though previous research did not cover exactly similar research settings, this thesis had resemblance also to research done by e.g. Salimäki and Nylander (2006), and Maaniemi (2013). Both studies covered the university or government sector organization salary systems, which, in this study, were excluded from the area of research. These studies nevertheless covered the same field as this thesis, meaning the university context, which makes comparing the findings of these studies very interesting. For example, Salimäki and Nylander (2006) found, that the salary system was perceived to be complicated, even if it was seen as a good, flexible tool for rewarding performance. The target group of this thesis expressed similar thoughts: performance appraisal, as such, was seen to be a good idea, and regular interaction was much valued, but instructions and forms seemed too complicated and bureaucratic to read. Maaniemi (2013) studied employee perceptions of injustice and found that the sources, from where the procedural and interactional justice arise, can be both formal and informal, and that their interrelations created experiences of injustice. In my research, the perceptions of performance appraisal fairness were on a very high level, but it can be interpreted from side notes and non-verbal communication, that the results would possibly be quite different, if the salary system issues would have been a part of this research design.

HRM in the higher education context has not been much researched neither in Finland or internationally, and it has even been called a "work in progress" (Convertino 2008). Most Finnish work has tied HRM as a part of a broader discussion of managerialism and change of control regarding the academic work (Pekkola et.al. 2016, 74), and research has also been done about e.g. the effects of the salary systems, fixed-term employment, and project work. This thesis contributes to the field of research about HRM in university context, a field which seems to be still very much under-researched. The approach to HRM is also quite different from previous work, which can also be seen as a contribution to the field. As was stated earlier, earlier HRM research in the university context has so far been limited more to a system perspective and as a part of the managerialism debate. The focus in this study was, however, clearly on HRM itself, and not on HRM as a part of something, which can also be seen as an overture for further research.

HRM in the changing university context is a fascinating topic, which calls for further research from various angles and approaches. This study, as a Master's level thesis, is of course subject to a lot of limitations due to time and other resource constraints, and it opens up numerous ideas for further research. For example, it would be very interesting to see whether the results of a similar research design, but with a much larger target group, would vary much from what I have found in this study. The larger target group could cover e.g. all faculties or all personnel groups of one university, or even study the employee perceptions of university employees throughout the nation. Also extending the research question to cover all HRM processes, as Bowen and Ostroff have suggested, or other specific HRM processes, would be an interesting study problem. For example, the interviews done for this thesis did suggest that some results concerning i.e. fairness could be quite different, had the focus been on the salary systems. This would be an important research subject as well. Finally, this thesis could only cover some of the metafeatures suggested by Bowen and Ostroff – a focus that had been done in similar studies as well – which also calls for further research about all the metafeatures.

5.4 How performance appraisal could be improved

The one of the strongest factors negatively influencing the perceptions of performance appraisal, was the formality of the process. Bureaucratic features, such as the form and long instructions, were seen as turn-offs. Professors did not manage to fill out the form without the instructions, but the instructions were perceived to be too long to motivate oneself to read through them. At least some of the professors seemed to think that by "marking it in the system", they would keep HR and the top management happy, as if a properly filled-in system was the main point of the whole process. It has been pointed out also in literature on the topic, that a fundamental problem with performance appraisal is a conflict between the assessment and the motivational functions of the appraisal process (Chmiel 2008, 85 – 89).

On the other hand, one reason behind just "marking it in the system", was that the target group emphasized throughout all the interviews, that regular discussions and interaction seemed to be a norm in the case university. Respondents highlighted, that they talk with colleagues a lot, and that they are mostly aware of what the others are doing. For some people, however, a more formalized discussion was a good idea, as it provided them a peaceful opportunity to talk with their supervisor. Not everyone had the opportunity, or even the courage, to arrange such discussions otherwise. Also the fact that employees are pushed at least once a year to really reflect and look both back as well as into the future, was seen as a good thing. Everyday discussions over lunch do not necessarily cover such conversation topics as career objectives, reflections and feedback, or seeing the bigger picture. Instead, everyday discussions might be informal and mundane, which cover just a small fraction of the big picture. Regular performance appraisal aims to motivate employees to perform even better (Foot & Hook 2011, 252 – 254). It provides an important platform for themes such as objective-setting (Dessler 2010, 194; Sydänmaanlakka 2000,81), providing feedback and recognizing strengths and weaknesses (Boswell & Boudreau 2000, 284), and bringing up difficult subjects such as under-performance (Egginton 2010, 125). Performance appraisal typically includes two functions: the evaluative and the developmental functions (Boswell & Boudreau 2000, 284) – or, as it was described in the interviews, the functions of looking back as well as into the future. Therefore, performance appraisal does indeed have a legitimate standing in the array of HRM processes in the case university, which was also indicated in some of the interviews of this study.

It seems that as long as performance appraisal has the reputation of being entwined with the form, employees will not invest in it as much as they could. This, on the other hand, can lead to missing out on a good conversation and an important possibility for reflection. The conversation may even end up being in a secondary role compared to forms and "marking it in the system". The emphasis should be on the discussion itself, and not on forms, instructions, and other secondary issues, which are intended to be supportive tools. Appraisal techniques make little difference, if appraisers and appraisees are unsatisfied with and uncommitted to the process (Chmiel 2008, 85).

To increase the satisfaction with and the commitment to performance appraisal, it seems, based on the findings of this study, that the best way to improve the performance appraisal would be to undress it from all formalities. In short, this refers to e.g. the present form, the long instructions, and all other bureaucratic features. Instead, the performance appraisal material could consist of a short, "to do" sort of list about the issues, that should be covered in the discussions. The list could act as a "cheat sheet", and therefore make sure, that all vital issues are discussed at least once a year. Employees could prepare themselves for the discussion by reflecting on their past achievements and their future plans and goals, by filling out something much leaner than the current form. In the interviews, one professor mentioned a 150-word webropol questionnaire, that had been used in their unit. This could be a viable solution for performance appraisal throughout the case university. It would not only offer the employee a structured approach for reflection, but it would also ease the supervisor's preparations for the discussion. Such a form would be easier and faster to fill out, and it would genuinely emphasize the role of the form as a supportive tool, not as the biggest star of the show. Also the fact that nearly none of the interviewees claimed the current form to have hardly any influence on *how* the discussions were carried out, meaning to the content of the appraisal, suggests that the role of the current form is minimal. This indicates that the form could well be changed. In one interview, a professor also suggested that some kind of discussion summary would be a helpful tool. For example, the supervisor could compile a few bullet points summarizing the most important issues. This would strengthen the role of the most important issues, and also provide documentation for e.g. objective-setting.

Changing the process in the way described above, could most likely make way for a more individualized approach to the process. This was something that was called for in some interviews. The professors believed, that the process could profit from individualization. Defining the discussion themes on a more ample level would leave more room for individual interpretations and liberty to discuss those matters, that are relevant for each employee. In one interview, a professor criticized the strategic questions in performance appraisal, as s/he did not see those questions at all relevant to his/her own job, as can be seen in the quote below.

> *"The higher we go, the more interested HR is in what I think about the faculty or university strategy, and I really don't have a slightest opinion about that, as I have never even read the whole thing. I mean, it just keeps going to a more formal direction." (Full Professor 5)*

In addition, a performance model built and designed to serve the academic employees and careers, would more likely increase employee satisfaction towards the process, than a practice adopted from firms. For example, the nature of academic work should be taken into consideration when designing an objective-setting and development scheme, keeping in mind that in academic work, the realization of goals and objectives might take much longer compared to quarterly economy. This has, in fact, already been realized in the university HR, as professors are encouraged to consider their merits from the past four years, but this was clearly not noted by some respondents.

It is clear to acknowledge from the interview data, that supervisors were seen as the most important sources of communication regarding performance appraisal. According to performance management literature, HRM plays a critical role in the performance appraisal process (Sydänmaanlakka 2000, 77), which was indeed also the case in the university in question. However, the process ownership is two-fold, with the supervisors having an equally important role in the process (ibid.). Shared responsibility is much emphasized in the literature, but as Dessler (2010, 196 – 197) points out, the supervisor's role is at the very heart of the process, exactly as it was perceived also in the case university. However, as the academic community is mainly collegial, the status of full professors and their supervisors within the university may be slightly problematic and contradictory. According to the findings of this study, there are situations, in which supervisors are colleagues, who are taking their turn in doing their share of leadership responsibilities. In such situations, performance appraisal may sometimes take the form of a collegial discussion, instead of a supervisor appraising the subordinate. Even if Dessler (ibid.) does suggest other solutions, such as peer review, supervisor appraisals are still one of the most important cornerstones of performance appraisal, and it is vital, that supervisors are properly trained for the task, in order to have an in-depth understanding of the process (Foot & Hook 2011, 258).

Another problem indicated in the interviews is sometimes the supervisor's attitude. As one professor pointed out, there is great contradiction, when the supervisor declares that performance appraisal does not have any emphasis in the unit, but the discussions are nevertheless carried out, because that is the norm. This diminishes the significance of the discussions, and it is no wonder employees are left contemplating what the true meaning of the process is. Strengthening the role of the supervisor would likely improve the quality and standing of the performance appraisal process in the case university, as Foot and Hook (2011, 258) have suggested. However, I do acknowledge, that this is likely to be an issue, which cannot be tackled by merely changing the organizational climate, but might instead require a fundamental change in the organizational culture of academic work.

Overall, a change in the organizational climate and/or culture would be required in order to improve the quality and emphasis of performance appraisal in the case university. Organizational culture or even organizational climate does not change overnight, and the change requires a lot of effort. It takes more than merely a name change to alter employee perceptions (Fletcher 2004, 1). The name change was already attempted in the case university, and interestingly enough, only a few target group professors had even noticed it, let alone any changes in the process itself. The name change was mostly greeted with indifference within the target group, even if the tones of the responses can be interpreted to be more positive than negative. The new name was seen to better describe the content, as well as the way of working in the case university, which is why it seemed to make sense to the majority of the respondents. Many underlined, however, that the name change was indifferent in situations where the content had not changed.

It is nevertheless good to acknowledge, that even the leanest and employee-friendliest HRM process as such, does not necessarily function alone. Whenever there are people involved, the people, as the end users, are the ones that define the process. It could be interpreted from the interview results, that professors mostly carried on with the appraisal process as they had done for the past years. Not everyone was motivated to read the instructions to see if the process had indeed changed. It would therefore be utterly important to comprehensively invest in communication about critical changes, in order to make sure that everyone in the organization was aware of them. This would be especially important if and when such changes would positively affect the process and the employee perceptions of it.

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APPENDICES

Appendix 1. Interview questions

Background questions

- First, a few general questions about your background.
- What is your nationality?
- From which country have you obtained your PhD?
- And when did you obtain you PhD (how many years ago/what year)?
- How long have you worked here?
- What is your current position? How long have you been in your current position?
- Are you in a supervisor role in your current position? How many subordinates do you have? And with how many of them do you have objective discussions?

General questions regarding the objective discussions as a whole

- Then a few short questions about your previous objective discussion round
- How did you prepare for the discussions?
- How do you think your supervisor prepared for the discussions?
- When did the discussion take place, and for how long?
- Can you briefly tell me what were the most important issues covered?
- Was your experience of the discussion process more positive or less positive than you thought it would be, and why?

Distinctiveness

- visibility
    - Do you think the objective discussion process has a lot of emphasis in your unit or department?
    - Do you think the objective discussion process plays a highly visible role in your unit, compared to, for example, other HR practices?
    - Do you think that the process is open and transparent? Why/why not?

- understandability
    - What do you think is the intended role of the discussions?
    - What do the objective discussion process communicate to you about the expected behaviors and attitudes? Can you give any examples?
    - How well does the objective discussion system motivate you to comply with these expectations?
    - Do you think the role and process of discussions are clear and understandable?

Consistency

- validity
  - Do you think the objective discussion process helps you understand how you perform in your job? How?
  - Does the discussion process help you to improve your performance and your knowledge and skills? How?
  - Do you think the discussions help you deliver desired results? Why/why not?
- consistent HRM messages
  - How about the communication regarding the objective discussions, what has that been like? You can think about communication both spoken and written – meaning emails, and coming from your head of department, HR, dean?
  - How about the objective discussion material – instructions and guidelines and the form and such – how did you find those to be?

Consensus

- fairness
  - distributive justice
    - Do you think that, on the whole, the outcomes of the objective discussion process (rewards, career and development opportunities) reflect fairly your contribution to the organization? Why/why not?
    - How do you think it reflects the effort you have put into your work?
    - Do you think that**,** on the whole, the outcomes of the discussion process (rewards, career and development opportunities) are fair (justified), given your performance?
  - procedural justice
    - First of all, I would please ask you to consider the following few questions regarding the fairness of process from two points of view: the fairness of the system, and the fairness of the rater, .i.e. the supervisor who had the objective discussion with you.
    - Do you think that the objective discussion process is applied without any bias, meaning in a fair way?
    - Do you feel that you have influence over the decisions made in the discussion process? (decisions could be e.g. concerning teaching for next year etc.)
    - Do you feel that the discussion process is carried out based on accurate information (about your performance and factors influencing it)?
  - interactive justice
    - Do you think that your supervisor treated you fairly in the discussions? Why/why not?

Final questions

- What do you think are the attitudes in your department or unit towards objective discussions? How about your attitude?
- These discussions used to be called development discussions. What do you think of the name change? What do you think was intended by the name change?
- How do you think the discussion process should be developed to more effectively drive both individual and unit performance?
- How would you develop it to make it more fair? Does anything else come to your mind? Anything in the objective discussion - criteria, feedback or other communication? Or any other thoughts and feelings related to the previous discussion round?