Objectives:

* focus on high quality education and research

* obtain AACSB accreditation to be recognized as one of the best business schools

* link academia with local community
Research Questions

The research questions which the paper aims to answer are:

1. What is the influence of effective performance appraisal on employee job satisfaction?

2. What is the influence of effective performance appraisal on employee productivity?

3. Does employee job satisfaction leads to employee productivity among Saudi employee?
Performance appraisal

- Performance appraisal is a process in which a supervisor collects information to evaluate and judge the job performance of a subordinate (Walsh, 2003).

- The appraisal is a formal routine and an important element of personnel management policy (Walsh, 2003).

- Management views performance appraisal as a required process for a specific period of time during which part or all of an employee's work is evaluated and judged by a supervisor (Coens and Jenkins, 2002).
Job Satisfaction

- Job satisfaction, viewed as the degree of pleasure a worker obtains from his or her job (Spector, 1997), has been intensively studied both empirically and in the literature.

- Job satisfaction may also be expressed as an employee's general attitude towards the job (Robbins and Coulter, 1996).
Employee productivity can be related to that of one’s peers on several job-related outcomes, where it includes both efficiency and effectiveness (Babin and Boles, 1998). High productive employees improve an organization’s efficiency and productivity (Kuvaas, 2011).
Hypothesis

- H1. Effective performance appraisal improves employee productivity.
- H2. Effective performance appraisal promotes Job Satisfaction.
- H3. Employee job satisfaction promotes employee productivity.
The theoretical framework and proposed hypothesis

H1

Effective Performance Appraisal → H2 → Job Satisfaction → H3 → Employee Productivity
Methodology

- This study was conducted by a field survey distributed to employees working at various levels in their respective organizations in KSA.
- A sample of 280 employees from several organizations in KSA was selected to receive the survey. In total, 200 participants returned the survey, representing 71.25% usable response rate.

**Scale used**
- Effectiveness of performance appraisal --- nine items --- from Timperley (1998).
- Job satisfaction --- six items --- Al-Dmour and Awamleh (2002), which has six items. For employee productivity construct, --- a single item--- from Kemerling (2002),
- The Appendix shows the survey and measurement items used.
- The data collected were analysed using Structural Equation Modelling (SEM), to check for Confirmatory Factor Analysis and test hypotheses about relations among observed and latent variables (Hoyle, 1995).
A confirmatory factor analysis was conducted as illustrated in full measurement dimensions CFA,

- Chi square value was found to be 149.6, with degree of freedom 75,
- CFI value was 0.867,
- TLI value was 0.981,
- GFI value was 0.913, suggesting a good fit of the measurement model
- RMSEA was 0.071, well below 0.08, which suggests that the model fits well.
- The good fit was achieved by dropping 20% of the total measurement items, as suggested by Hair et al. (2010). When the model fit does not achieve the good fitness of the model to solve this issue, the maximum drop of the items should not exceed 20%.
The proposed model variables and measurement items
The structural equation modeling for the model variables
The significant relationship between model variables

<table>
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<th>C.R.</th>
<th>P</th>
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Conclusion

- The results confirm eight determinants of an effective performance appraisal in KSA. The practical implication of this indicates that to achieve the intended results of performance appraisal, management should incorporate those eight features in their performance appraisal exercise, and ensure that all employees have a clear understanding of their implications.

- the levels of effective performance appraisal, employee productivity, and job satisfaction do not vary among most of the demographics in Saudi firms.
It can be concluded from this study that employee job satisfaction is not influenced by effective performance appraisal in KSA. In addition, job satisfaction has no direct impact on employee productivity, or subsequently on organizational performance.

In general, employees in KSA are productive in their jobs to meet job requirements and renew their contract. This study provides the first empirical evidence about the impact of an effective performance appraisal on employee productivity in KSA.
PMU Research and Conference Support is highly appreciated to complete this research.
Q&A