

Performance Appraisal Purpose and Job Embeddedness: Examining the Interaction Effect of Multidimensional Locus of Control

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Abstract

Using Social exchange theory, this study aimed to examine whether the developmental and evaluative purpose of performance appraisal significantly predicts job embeddedness and the interaction effect of internal and external locus of control. Data were gathered from salespersons of the pharmaceutical industry working in Peshawar, Khyber Pakhtunkhwa. A sample of 304 respondents using a cross-sectional survey was drawn for final analysis using non-probability sampling technique. Measurement and structural model was tested using partial least squares structural equation modeling (PLS-SEM). Findings revealed that both developmental performance appraisal and evaluative performance appraisal significantly and positively influence job embeddedness. Results also indicate that internal and external locus of control significantly moderates the relationship between developmental and evaluative performance appraisal with job embeddedness. These findings provide important insights in understanding the dimensions of performance appraisal for predicting workplace outcome. The study has theoretically contributed to the existing literature by examining the boundary condition of internal and external locus of control. Finally, recommendations for managers and future research directions have been documented at the end of the study.

Keywords: Developmental performance appraisal, Evaluative performance appraisal, Job embeddedness, Internal locus of control, External locus of control.

Introduction

In today's competitive environment, human resources play a proactive role in many organizations, and so as a result, the human element of the organization is paid great attention. Individual performance must be evaluated and improved in an organization. According to the Resource-Based View (RBV), the human being is the most important asset and has more value. Performance Management and the assessment system, in turn, become critical in assisting the organization in evaluating employee performance in achieving the organization's business objectives (Stivers & Joyce, 2000). Human Resource Management practices, such as recruitment and selection, performance management, feedback mechanisms, and so on, have been shown to have a significant impact on human behavior, and the importance of such practices affecting individual performance is dependent on how employees perceive these practices.

Because it includes gathering information about employees' performance, Human Resource Management incorporates Performance Management as a key component (Boswell & Boudreau, 2002; Judge & Ferris, 1993). Several researchers have defined performance appraisal differently since there are differing viewpoints on its core definition depending on the context in which it is defined. As Scott (2009, p. 23) defines it "the measuring or evaluation of the required quantity and quality of the employee's performance at work". It is also regarded as an "instrument for managing workforce effectiveness and efficiency" (Spicer & Ahmad, 2006, p. 214).

Different terminologies have been used in the literature to describe performance appraisal. For example, Grubb (2007) found that it has been referred to as an employee appraisal, meriting a rating, performance evaluation, personal rating, and so on in the literature. Mullins (2002), on the other hand, believes that performance assessment strives to provide a process or system that allows an organization to evaluate its employees' performance and, as a result, move the organization forward. According to Mackey and Johnson (1999), performance appraisal has an impact on both individual and organizational performance since it identifies the problem and then attempts to resolve it. It's also worth mentioning that, according to existing literature, performance evaluation harms both individual and organizational work performance (Nurse, 2005).

Existing literature is documented which supported that employees' satisfaction regarding PA significantly leads to positive attitudes and behaviors (Naeem, Jamal & Riaz, 2017; Lu, Yue, Han, & Chen, 2018). While, dissatisfaction with PA leads to negative workplace outcomes such as higher intention to quit and absenteeism (Ismail & Gali, 2016). It is important to have satisfaction regarding PA to retain competent employees. Although, previous literature has substantially investigated the purpose of PA in an organization which leads to workplace outcomes, however, several questions remain unclear. For example, Youngcourt et al. (2007) identified three types or dimensions of PA i.e. developmental, evaluative and role definition purpose. Role definition purpose is related to position while the other two focuses on the individual. In this study, the author has focused on individual-level PA and has considered the

only developmental and evaluative purpose of PA. There is a dearth of literature as to whether performance appraisal purpose leads to job embeddedness (Crossley, Bennett, Jex & Burnfield, 2007). As, the existing literature precisely focused on the direct and linear effect of perception about performance appraisal and different workplace outcomes (Memon et al., 2020; Kakkar, Dash, Vohra & Saha, 2020). Nonetheless, few studies focus on the interaction effect of personal dispositional factors which influence the direction of a relationship between HR practices in predicting attitudes and behaviors of employees in an organization. This is the main focus of the current study.

The objective of this study is to investigate the effect of developmental and evaluative PA on job embeddedness and the moderating effect of multidimensional locus of control i.e. internal LOC and external LOC. For achieving these research objectives, this paper has theoretically contributed to the existing literature in many ways. Foremost contribution is to improve our understanding regarding developmental and evaluative PA in predicting job embeddedness. OB researchers such as Boswell and Boudreau (2002) believed that the importance and significance of PA as HR practice is very limited. In this manner, this study is imperative as it provides first-hand confirmation for the importance of performance appraisal purpose in predicting workplace outcomes in the form of job embeddedness.

Secondly, the effect of developmental and evaluative PA on job embeddedness is influenced by personality traits i.e. locus of control which is another important contribution. Locus of control is defined as an “individual’s ability to determine the outcome of their behavior” (Rotter, 1954, p. 466). However, “LOC refers to an expectancy that personal permanent characteristics and goal-directed behavior are instrumental in obtaining a reinforcement, and ELOC is the expectancy that outcomes of life events, whether positive or negative, are controlled by powerful others, chance, or luck.” (p.33). Locus of control has been brought from organizational psychology and understanding it with the human resource is necessary for organizational context (Memon et al., 2020). Previous researchers believe to investigating its moderating effect in the relationship between HR practices and outcomes are significant (Kuvaas, 2006; 2008). Literature regarding moderating effect of locus of control in the relationship between the purpose of PA and job embeddedness is very limited. Primarily, there is a dearth in the existing literature to investigate the interaction of locus of control between developmental and evaluative PA and workplace outcomes.

Thirdly, this study has considered the multidimensional perspective of locus of control i.e. internal LOC and external LOC. Aube, Rousseau and Morin (2007) investigated moderating effect of locus of control however, they have taken its unidimensional form. Fourth, this study empirically contributed by gathering data from the salesperson in the pharmaceutical industry since previous literature has called for investigating such phenomenon in the pharmaceutical industry.

This study used social exchange theory (SET) as a theoretical lens to investigate the aforementioned phenomenon in a developing country’s context i.e. Pakistan. Aryee et al. (2002) commented that SET is the reciprocal relationship between an organization and employees. If

one party (organization) takes voluntary actions to benefit the other party (employee), then it will create an obligation in the mind of the second party that they will reciprocate the first party back by taking positive actions. In the next section, relevant literature is highlighted to support the relationships among constructs followed by appropriate methodology and data collection and analysis section. Finally, the conclusion, recommendations and future directions have been reported.

Literature review

Performance appraisal purpose and job embeddedness

The relationship between employees' perception of performance appraisal and workplace outcomes has been extensively explored in the literature. Extant literature mainly focused on frequently used employee workplace outcomes such as job satisfaction, organizational citizenship behavior, motivation, turnover intention, work performance (Kuvaas, 2006; Naeem, Jamal & Riaz, 2017; Poon, 2004). However, there is a dearth of literature regarding the newly developed research paradigm which explains why people stay in organizations. As, Mitchell et al. (2001) developed a new construct in organizational behavior research called job embeddedness, to know the factors of turnover which lead to employee intent to stay. The more a person is embedded with a job, the less likely he intends to leave. Mitchell et al. (2001) defined JE as "a broad cluster of ideas that influence an employee's choice to remain in a job, operating like a net or a web in which an individual becomes enmeshed" (cited in Yang, Ma & Hu, 2011; p. 421).

JE comprises three dimensions i.e. links, fit and sacrifice. Links represent the degree to which an individual is associated with people and activities in an organization. It includes both formal and informal ties of a person established with managers, colleagues as a part of working in a team. Fit represents an "employee's perceived compatibility or comfort with an organization and with his or her environment" (Mitchell et al., 2011, p. 1104). Moreover, a sacrifice which indicates the "perceived cost of material or psychological benefits that may be forfeited by leaving a job (Mitchell et al., 2001, p. 1105)". It means that when an employee leaves an organization, he or she would have to give up benefits, perks, colleagues, opportunities to excel further in the organization.

There are two prime purposes served of performance appraisal. However, Iqbal, Akbar, Budhwar, and Shah (2019) identified additional purpose of PA i.e. strategic purpose which is related to the organization-focused purpose of PA besides position-focused and individual-focused purpose of PA. They have analyzed that administrative and developmental purposes of PA were significantly related to satisfaction with rewards, rating system, rater and organizational commitment. Role definition was significantly related to satisfaction with a rating system, organizational commitment and role clarity. Furthermore, a new dimension of PA i.e. strategic purpose predicts self-monitoring, feedback-seeking behavior. In this study, the author has taken only two purposes which are related to individuals i.e. developmental and evaluative PA. The relationship between developmental and evaluative PA and job embeddedness has been rarely found in the literature.

When employees perceived fairness and accuracy in the performance appraisal system, it significantly accounts for satisfaction with PA satisfaction. Sharma and Sharma (2017) examined fairness and accuracy in the performance appraisal system. Satisfaction with the PA system leads to the willingness of employees to improve performance. Similarly, Kim and Holzer (2016) found that when PA is used for a developmental purpose, it leads to employees' acceptance of PA. Employees will accept such HR practices which not only focus on employees' skills and performance but also assist employees in the future career growth and advancement.

If the organization considers or implements the PA process effectively, it leads to substantiate employees' performance, job satisfaction and retention of sales associates. As, Cravens, Oliver, Oishi and Stewart (2015) conducted a study using experimental design to find the effectiveness of the PA process. The holistic and supportive culture of an organization (workplace culture) significantly defines a relationship between workplace outcomes. The relationship was stronger in the case of supportive workplace culture.

HR practices can lead to positive workplace behavior as Qiu, Hu, Zhang and Li (2015) conducted a study in Chinese firms to identify whether developmental PA and evaluative PA significantly influence proactive behavior. Findings declared that proactive behavior of employees is negatively predicted by evaluative PA while developmental PA has a positive association with proactive behavior. As reported in the above paragraphs, developmental PA realized employees that the organization intends to improve employee performance with the help of developmental PA and focuses on career growth and advancement. Qiu and his colleagues further concluded from their study that psychological ownership and self-efficacy define the relationship between performance appraisal purpose and proactive behavior. The more an employee in their capacity, potentials and feels ownership in the organization, the more they will be creative and proactive in their work.

It has been noted from the literature, that developmental and evaluative PA significantly leads to predict attitude and behavior. However, limited literature is available to investigate the effect of developmental and evaluative PA on job embeddedness. Therefore, we can hypothesize the following hypotheses:

H1: Developmental performance appraisal significantly influence job embeddedness.

H2: Evaluative performance appraisal significantly influence job embeddedness.

Moderating effect of multi-dimensional locus of control

The relationship between developmental and evaluative PA is subjective to certain individual-level factors such as personal dispositional factors. As recently, Eyoun, Chen, Ayoun and Khelifat (2020) identified the purpose of PA as administrative and developmental PA. Administrative and developmental PA significantly predict psychological contract. The generational difference was considered as moderating variable on the relationship between performance appraisal purpose and the psychological contract. Generation Y significantly influences the relationship between administrative purpose of performance appraisal and psychological contract while generational difference failed to influence the relationship between developmental PA and psychological contract.

Empirical evidence supports the moderating effect of personal disposition such as locus of control while explaining the relationship between perceived organizational support and organizational commitment (Aube, Rousseau & Morin, 2017). The relationship between perceived organizational support and LOC was explained through the lens of social exchange theory wherein employees feel recognized by the organization for their efforts and time invested and the organization values their employees for their contribution. Work LOC was measured in the form of external LOC for testing its moderating effect. Findings revealed that external LOC (ELOC) significantly moderate the relationship between perceived organizational support and affective commitment of employees.

Schmitz, Neumann, and Oppermann (2000) have reported the moderating effect of locus of control in the relationship between work-related stress and job burnout. Findings revealed that work-related stress and job burnout are significantly related to poorer LOC in nurses. It means that nurses who reported their LOC as external or have little control over their events in life will feel stress and burnout as compared to nurses who are high on LOC or whose LOC is based on internality. Hamwi, Rutherford, Boles, and Madupalli (2014) examined external LOC and its effect on several job characteristics constructs i-e role conflict, ambiguity, emotional exhaustion, and job satisfaction. Findings revealed that external LOC negatively influences job satisfaction. Salespeople who have reported a high level of external LOC positively influence role conflict and role ambiguity.

From the above literature, we can argue that the effect of developmental and evaluative PA on employees' attitude and behavior is subject to certain individual-level factors such as internal locus of control and external locus of control. Therefore, we can hypothesize the following hypotheses:

H3(a): The relationship between developmental PA and job embeddedness is moderated by an internal locus of control.

H3(b): The relationship between developmental PA and job embeddedness is moderated by an external locus of control.

H4(a): The relationship between evaluative PA and job embeddedness is moderated by an internal locus of control.

H4(b): The relationship between evaluative PA and job embeddedness is moderated by an external locus of control.

Methodology

Data collection

Data were gathered from salespersons of the pharmaceutical industry operating in Peshawar, Khyber Pakhtunkhwa. Pharmaceutical product sales have risen dramatically in recent years. The annual growth rate was reported to be around 10% and 12% from 2012 till 2017. Besides these shifts, the average increase in national and multinational companies has fluctuated, but the pharmaceutical industry as a whole has grown dramatically (Waheed, 2017). Furthermore, the private industry produces jobs for society and contributes considerably to the country's GDP growth as well as the effectiveness and efficiency with which it manages its employees.

Salespersons from both national and multinational companies working in Peshawar were requested to provide data from September to December 2021 using a structured questionnaire adopted from previous literature. A total of 304 questionnaires were obtained from respondents which were significantly greater than the minimum sample of 146 calculate using power analysis.

Research instrument

Data were gathered using a structured questionnaire divided into three main sections. The first section comprises of cover letter wherein the study's title, objectives, researcher affiliation were mentioned. Besides, the first part also included ensuring confidentiality and anonymity of respondents so that the respondents may truly portray their perception regarding the phenomenon under investigation. The second section includes demographic details of respondents while the third section includes statements about constructs of this study.

Developmental performance appraisal was measured using five items as "Performance appraisal of my department/organization identifies individual strength". Similarly, four items were used to measure evaluative performance appraisal such as "Performance appraisal of my department/organization guides promotion of an employee". The tool was adopted from the work of Boswell and Boudreau (2000). LOC was measured via a tool was adopted by Spector (1988). Internal LOC was measured with eight items such as "A job is what you make of it". Likewise, external LOC was also measured with eight items such as "getting this job is mostly a matter of luck". Crossley, Bennett, Jex and Burnfield (2007) have developed a tool for measuring job embeddedness was used in this study while it was measured with seven-item and the sample item includes "I feel attached to this organization".

Addressing common method bias

Podsakoff, MacKenzie and Podsakoff (2003) argued that there are two approaches for addressing common method bias (CMB) i.e. procedural approach and statistical approach. Both techniques have been utilized to find CMB. In a procedural approach, the author ensured the confidentiality, anonymity of respondents and promised to analyze data in aggregate form. Besides, the research instrument was pre-tested for final data collection to identify any complexity or perplexing item in the tool. Furthermore, the statistical approach was addressed via a full collinearity test as per guidelines presented by Nock (2015). Findings of this test revealed lower values (VIF <3.3) suggesting no issue of CMB. Besides, a single factor test was also conducted as per Harman's (1967) protocol suggesting no major issue.

Analysis and findings

The collected data has been analyzed using Partial Least Square Based Structural Equation Modeling (PLS-SEM). PLS-SEM has gained immense popularity in organizational research (Ali, Rasoolimanesh, Sarstedt, Ringle & Ryu, 2018; Razzaghian & Shah, 2018). The reasons are that it can be easily used to assess complex models, works with non-normal data and with smaller sample sizes (Hair, Hut, Ringle & Sarstedt, 2017). There are two models used in Smart PLS version 3.2.9. First is the measurement model, which has been used for convergent validity by

using item loadings, composite reliability (CR), and average variance extracted (AVE). Secondly, the structural model, which has been used for testing the structural model and hypotheses testing.

Before structural equation modeling, the author conducted exploratory factor analysis (EFA) to confirm sampling adequacy and suitability. KMO value for the entire data was 0.823 along with the result of BTS ($p < .001$) which confirms that the data is suitable for running factor analysis. However, there were a few items i.e. DPA2, ILOC4 and JE6 failed to load well on their respective factors. Therefore, those items were removed from further analysis.

Descriptive statistics

Table 1 shows the descriptive details of respondents. A substantial portion of respondents was male (N=283) with a greater proportion of respondents were married (N=171). Most of the respondents (N=195) were from the age bracket (20-29) along with bachelor degree (N=135) and with 2-5 years of experience (N=189). Table 2 shows the mean, standard deviation and correlation matrix among the study's constructs.

Table 1. Respondent's Profile

Demographic details		N
Gender	Male	283
	Female	21
Marital status	Unmarried	133
	Married	171
Designation	Top Level	20
	Middle Level	188
	Lower Level	96
Age	20-29	195
	30-39	88
	40-49	16
	50-59	5
Qualification	Matric	15
	Intermediate	17
	Bachelor	135
	Master	115
Work Experience	M.Phil./ MS	22
	2-5 years	189
	6-10 years	60
	11-15 years	30
	Above 15 years	25

N=304

Table 2. Mean, Standard Deviation and Correlation Matrix

Constructs	Mean	SD	1	2	3	4	5
1.DPA	5.634	1.141	1				
2.EPA	5.359	1.072	.669**	1			
3.ILOC	5.561	0.955	.710**	.621**	1		
4.ELOC	4.358	1.545	.148**	.379**	.295**	1	
5.JE	5.348	1.126	.569**	.564**	.698**	.295**	1

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

Measurement model

Hair et al. (2017) argued that the measurement model aims to show reliability, internal consistency reliability (ICR) along with convergent validity (CV) and discriminant validity (DV). ICR refers to “the degree to which the items truly measure the latent construct”. For measuring ICR, it is recommended to report the values of composite reliability (CR) as compared to Cronbach’s alpha values. A value of below 0.60 is undesirable while a value above 0.95 shows redundancy. Hair et al. (2017) recommended above 0.70 as an acceptable value. During measurement model analysis, one or two items (EPA3 and ILOC5) were deleted due to low factor loadings. Table 1 shows the values of CR for DPA (0.893), EPA (0.786), ILOC (0.868), ELOC (0.934) and JE (0.883).

Convergent validity (CV) according to Hair et al. (2017) refers to “the extent to which a measure correlates positively with alternate measures of the same construct” (p.113). CV can be measured using average variance extracted (AVE) and a value of AVE shall be equal to or greater than 0.50 which means that half of the item’s variance shall be accounted for by latent constructs. Table 3 revealed AVE values and hence confirming the establishment of CV with DPA (0.677), EPA (0.555), ILOC (0.523) and ELOC (0.640) and JE (0.558).

Table 3. Loadings, Reliability and Convergent Validity

Construct	Items	Loadings	Composite Reliability	AVE
Developmental PA	DPA1	0.807	0.893	0.677
	DPA3	0.807		
	DPA4	0.877		
	DPA5	0.798		
	EPA1	0.874		
Evaluative PA	EPA2	0.707	0.786	0.555
	EPA4	0.635		
	ILOC1	0.761		
Internal LOC	ILOC2	0.752	0.868	0.523
	ILOC3	0.706		
	ILOC6	0.749		

	ILOC7	0.661		
	ILOC8	0.705		
External LOC	ELOC1	0.781	0.934	0.640
	ELOC2	0.804		
	ELOC3	0.772		
	ELOC4	0.805		
	ELOC5	0.743		
	ELOC6	0.813		
	ELOC7	0.796		
	ELOC8	0.880		
Job Embeddedness	JE1	0.807	0.883	0.558
	JE2	0.806		
	JE3	0.687		
	JE4	0.649		
	JE5	0.738		
	JE7	0.782		

Note: EPA3 and ILOC5 were deleted from analysis due to low loadings

Discriminant validity represents “the degree to which a construct is truly distinct from other constructs by empirically standards” (Hair et al., 2017, p.115). In other words, each construct is significantly different from other constructs considered in a research study. To test DV, Henseler et al. (2015) recommended the heterotrait-monotrait (HTMT) ratio of correlations. In the literature, HTMT is considered as a latest and most powerful method of estimating DV (Henseler et al., 2015). For establishing DV, the HTMT values shall be lower than the threshold value of 0.90. Table 4 revealed that each construct’s value is significantly lower than the cut-off value thus confirming discriminant validity.

Table 4. HTMT Ratio for Discriminant Validity

	DPA	ELOC	EPA	ILOC	JE
DPA					
ELOC	0.181				
EPA	0.853	0.504			
ILOC	0.850	0.353	0.797		
JE	0.674	0.336	0.721	0.833	

Structural model

Structural models assess paths hypothesized in the study’s framework. Bootstrapping mechanism with 500 resamples was executed to achieve the path coefficients, standard deviation, t-values, p-values and R². The value of R² revealed the strength of the structural model. It is recommended that the value of R² shall be equal to or above 0.1. In this study, R²= 0.415 demonstrates the establishment of the predictive capacity of a structural model.

Table 5 shows the results of the hypotheses proposed based on existing literature. Findings revealed that DPA positively and significantly influences JE ($\beta=-0.402$, $t=5.891$, $p<0.001$). Also, the bias-corrected confidence interval does not include zero in between. Therefore, H1 is statistically supported. Similarly, EPA positively and significantly influences JE ($\beta=-0.301$, $t=5.324$, $p<0.001$). Also, the bias-corrected confidence interval does not include zero in between. Therefore, H2 is statistically supported.

Moderating hypothesis sought to determine the moderating effect of multidimensional locus of control in the relationship between developmental and evaluative PA with job embeddedness. The results revealed that ILOC moderates the relationship between DPA and JE ($\beta=-0.094$, $t=2.612$, $p<0.001$) thus supporting H3(a). Similarly, ELOC moderates the relationship between DPA and JE ($\beta=-0.190$, $t=4.347$, $p<0.001$) leads to statistically supporting H3(b).

Besides, the moderating effects of internal and external LOC between EPA and JE were also supported. The result showed that ILOC significantly and negatively moderates the relationship between EPA and JE ($\beta=-0.092$, $t=2.169$, $p<0.001$). Additionally, ELOC also moderates the relationship between EPA and JE ($\beta=-0.198$, $t=5.117$, $p<0.001$). Therefore, H4(a) and H4(b) both are statistically significant and supported.

Table 5. Findings of Structural Model

Paths	β	SD	T Statistics	P Values	LL	UL	Decision
DPA -> JE	0.402	0.068	5.891	0.000	0.246	0.527	Supported
EPA -> JE	0.301	0.056	5.324	0.000	0.182	0.404	Supported
DPA*ILOC -> JE	-0.094	0.036	2.612	0.009	-0.172	-0.028	Supported
DPA*ELOC -> JE	-0.190	0.044	4.347	0.000	-0.273	-0.100	Supported
EPA*ILOC -> JE	-0.092	0.042	2.169	0.031	-0.172	-0.009	Supported
EPA*ELOC -> JE	-0.198	0.039	5.117	0.000	-0.275	-0.125	Supported

Effect Size (f^2) and predictive relevance (Q^2)

Hair et al. (2014) suggested estimating the effect size (f^2) and predictive relevance of the structural model (Q^2). It represents changes in the values of R^2 when a specific construct is omitted from the model and revealed whether IV has a significant effect on DV. The strength of effect size can be determined using Cohen's (1988) guidelines as 0.02, 0.15 and 0.35 are considered small, medium and large effect sizes. In this study, developmental and evaluative PA

have medium effect size, hence accentuating the importance of these two exogenous constructs in explaining job embeddedness as shown in table 4.

Predictive relevance (Q^2) was assessed blinding folding technique. Giesser's Q^2 value revealed the out-of-sample predictive power of a model. Richter et al. (2016) argued that when the value of Q^2 is above 0, it confirms the acceptable predictive power of the model. Table 6 portrayed $Q^2=0.215$ suggesting a good predictive relevance.

Table 6. Results of f^2 and Q^2

	f^2	Q^2
DPA -> JE	0.150	
EPA -> JE	0.084	
JE		0.215

Conclusion and recommendations

This study contributed substantially to the prevailing literature by reporting the empirical examination of important HR-practice i.e. performance appraisal purpose in advancing workplace outcome in the form of job embeddedness of salespersons in the pharmaceutical industry in Peshawar, Khyber Pakhtunkhwa. Contemporary scholars have recommended researchers investigate HR practices in predicting employees' attitude and behavior, however, there is a dearth in the literature to focus on the dimensionality of performance appraisal i.e. developmental and evaluative (individual-focused) in predicting new workplace outcomes such as job embeddedness. Besides, locus of control as a personal dispositional factor has been rarely considered in influencing the relationship between HR practices and workplace outcomes (Ho & Kuvaas, 2020; Dysvik, Kuvaas & Buch, 2014). Considering these gaps, this study aimed at examining the impact of developmental and evaluative PA in enhancing the job embeddedness of salespersons along with the interacting effect of internal and external LOC.

The major contribution of this study is to consider performance appraisal with two dimensions (developmental and evaluative) which focus on individuals instead of taking strategic and role definition purpose since it emphasizes their roles and positions in predicting job embeddedness. Based on findings, this study confirmed the theoretical underpinning of social exchange theory by showing the developmental and evaluative purpose of performance appraisal significantly and positively leads to positive workplace outcomes in the form of job embeddedness. When an organization uses HR practices for advancing career growth opportunities, future developmental goals providing constructive feedback and assisting weak performers in meeting their operational targets, then it makes employees assume that the organization cares about them. Resultantly, employees pay back the organization by portraying a positive workplace attitude which assists in organizational productivity and performance. Furthermore, locus of control is a personality trait borrowed from organizational psychology (Spector, 1988) and investigating its interaction effect between HR practices and workplace outcomes is limited in the extant literature (Dysvik & Kuvaas, 2013, Buch, Kuvaas, Dysvik & Schyns, 2014). This study has contributed by

considering both internal and external LOC and tested its moderating effect between developmental PA and evaluative PA in influencing job embeddedness. Based on empirical evidence, internal LOC moderates the relationship between developmental PA and job embeddedness. Similarly, internal LOC also moderates the relationship between evaluative PA and job embeddedness.

Furthermore, external LOC has moderated the relationship between developmental PA and job embeddedness. Along with this, external LOC also moderated the relationship between evaluative PA and job embeddedness. Aube, Rousseau & Morin (2017) have investigated a similar phenomenon by taking only one dimension of locus of control i.e. external LOC between perceived organizational support and organizational commitment. They have found a similar result wherein external LOC significantly moderates the relationship between perceived organizational support and organizational commitment. Similarly, Schmitz, Neumann, and Oppermann (2000) have used external LOC as moderating construct between work-related stress and burnout. They have found that for nurses whose LOC is external, the relationship between work-related stress and burnout will be stronger as compared to those nurses whose LOC is internal.

Moreover, this study also empirically contributes by considering the influence of performance appraisal purpose on job embeddedness in the pharmaceutical industry due to its practical importance in terms of HR activities. To the best of the researcher's knowledge, there is limited literature available to investigate this phenomenon in pharmaceuticals. Although, such studies have been explained in oil and gas organizations (Memon et al, 2020), the education sector (Naeem, Jamal & Riaz, 2017), the health sector (Buch, Kuvaas, Dysvik & Schyns, 2014), telecommunication organizations (Kuvaas & Dysvik, 2010). However, limited attention has been devoted to salespersons working in the pharmaceutical industry.

Lastly, this study contributes in terms of improved data analysis method i.e. PLS-SEM for testing direct and interaction hypotheses. Papers published in the human resource management field rely mostly on the first-generation approach (Naeem, Jamal & Riaz, 2017; Poon, 2004). Limited studies have been reported in the literature which predominantly emphasizes the use of PLS-SEM (Memon et al., 2020). Moreover, the results of this study supported that PLS-SEM is handy and robust due to its several attributes offered for analysis. Hair et al. (2013) argued that PLS- approach works well with minimum sample size and no non-normal data, Besides, it maximizes the variance explained by IV in predicting DV when using multiple regression analysis.

Managerial implications

Findings revealed that employees' perception of the purpose of performance appraisal is an important factor influencing job embeddedness among salespeople operating in the pharmaceutical industry in Pakistan. This study offers multiple implications for managers and practitioners in organizations. First, managers must prioritize properly implementing and communicating HR practices and their intended purpose to bring positive workplace attitudes and behavior. The aim of implementing HR practices in an organization has to be linked to

improvement in the current and future performance of employees. Organizations must implement a performance appraisal system is not only function properly but also ensure fairness. Top management must be actively involved in the entire process of execution and facilitate employees at lower to identify improvement areas where they need training and guidance. It will create an environment whereby employees will feel that the organization care and value their contribution at any level. Similarly, before the implementation of such an evaluation system, top managers need to take on board the middle and lower-level staff regarding their acceptance of such a system. Management needs to implement fairness and justice in the implementation of the appraisal system so that every member of an organization gets the proper evaluation.

The Appraisal system needs to identify individual strengths and weaknesses. Consequently, those employees who need training will undergo proper training programs inside or even outside the organization and it must be a part of the performance appraisal system in organizations. Besides, managers need to provide feedback constructively and shall be provided frequently. Performance appraisal has to be linked to financial and non-financial rewards (recognition, rewards, bonuses etc.). It has been reported in the literature that those PAs which is aligned with monetary rewards bring positive workplace outcomes (Kampkötter, 2017). Moreover, organizations need to conduct proper personality assessments to gauge the personality traits of employees as this study reported that internal and external LOC significantly and positively influence developmental and evaluative PA and job embeddedness. It will assist the organization to know the preferences and mechanisms through which an evaluation system can be smoothly executed.

Limitations and future directions

Every research study has certain limitations which are unavoidable and can be used as an opportunity for future researchers. This study also has limitations that need to be addressed in the future. First, this study is based on sample data of the pharmaceutical industry in Khyber Pakhtunkhwa. Therefore, the generalization of this study's findings needs to be carefully done. Future researchers need to expand external validity by collecting data from other industries such as the tourism industry, banking sector etc. Secondly, this study has considered internal and external LOC as moderating constructs. However, the future researcher shall expand these boundary conditions by considering other relevant constructs such as perceived organizational support, supervisor support etc. Thirdly, data were gathered using the convenience sampling technique which limits the generalizability to the entire population. Future researchers need to conduct such a study using probability sampling. Furthermore, this study used a cross-sectional design for collecting data while future studies must be conducted using cross-lagged data to address the limitation of quantitative studies. Although, the researcher followed both procedural and statistical protocol to potentially test for and minimize the chance of common method error. Besides this future research can collect data from multiple sectors and then make comparisons among them to identify a potential cause of differences.

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