

# 團隊多層次觀點探討團隊領導者與部屬交換關係對績效考核滿意度的影響

## Exploring Multilevel Perspective of Leader-member Exchange Relevant to Performance Appraisal Satisfaction

洪贊凱<sup>1</sup> Tsang-Kai Hung

國立彰化師範大學 人力資源管理研究所

National Changhua University of Education, Graduate Institute of Human Resource Management

蔡佳盛 Chia-Sheng Tsai

國立彰化師範大學 人力資源管理研究所

National Changhua University of Education, Graduate Institute of Human Resource Management

**摘要：**高效能的績效考核能增進組織績效，而提升績效考核滿意度最能夠增進績效考核效能，且團隊為主的工作設計廣為企業採用，因此團隊成員績效考核滿意度便為本研究之焦點。團隊主管與成員發展的交換關係是否會影響成員績效考核滿意度，且雙方的交換關係是否會影響成員尋求回饋行為與團隊正義氣候，故本研究將研究目的歸納如下：1.探討個人層次領導者與部屬交換關係(LMX)對尋求回饋行為與考核滿意度之影響；2.探討尋求回饋行為對個人層次 LMX 與考核滿意度關係之中介效果；3.探討團隊層次 LMX 對團隊正義氣候與考核滿意度之影響；4.探討正義氣候對團隊層次 LMX 與成員考核滿意度之中介效果；5.探討正義氣候對個人層次 LMX 與考核滿意度關係之干擾效果。本研究自經濟部商工登記資料庫中之高科技公司，選取工作團隊主管與成員進行調查，實得有效樣本 243 份，有效回收率為 54%，統計分析採描述性分析、驗證性因素分析以及階層線性模式。研究結果發現：1.個人層次 LMX 對尋求回饋行為、績效面談與績效制度滿意度有正向影響；2.尋求回饋行為對績效面談滿意度有正向影響；3.尋求回饋行為對個人層次 LMX 與

---

<sup>1</sup> Corresponding author: Graduate Institute of Human Resource Management, National Changhua University of Education, Changhua City, Taiwan. E-mail: hungjack.tw@yahoo.com.tw

績效面談滿意度之關係具有「部分中介」效果；4.程序型正義氣候對績效面談與績效制度滿意度具跨層次的影響效果。

**關鍵詞：**領導者與部屬交換關係；績效考核滿意度；尋求回饋行為；正義氣候

**Abstract:** High effective performance appraisal could increase organizational performance, and it was the best way to increase effectiveness by enhancing performance appraisal satisfaction. Moreover, team-oriented job design has been widely adopted by corporations; team-member's performance appraisal satisfaction became highlight of this study. Did the exchange relationship developed between team leader and team member influence appraisal satisfaction? Did the relationship would influence team member's feedback seeking behavior and team justice climate? Hence, this study aims to discuss 1. the effect of individual-level leader-member exchange on feedback seeking behavior and appraisal satisfaction; 2. the mediating effect of feedback seeking behavior on individual-LMX and appraisal satisfaction; 3. the effect of team-LMX on justice climate and appraisal satisfaction; 4. the mediating effect of justice climate on team-LMX and appraisal satisfaction; 5. the moderating effect of justice climate on individual-LMX and appraisal satisfaction. In this study, the target samples were the work teams from the companies of the industry database, and 243 valid questionnaires were responded. The valid response rate was 54%. The valid questionnaires were empirically analyzed using the method of hierarchical linear modeling. The result revealed 1. individual LMX has a positive effect on feedback seeking behavior, performance session and system satisfaction; 2. feedback seeking behavior has a positive effect on session satisfaction; 3. feedback seeking behavior has partial mediating effect on individual LMX and session satisfaction ; 4. procedural justice climate has a direct effect on session and system satisfaction.

**Keywords:** Leader-member exchange; Performance appraisal satisfaction; Feedback seeking behavior; Justice climate

## **1. Research Background**

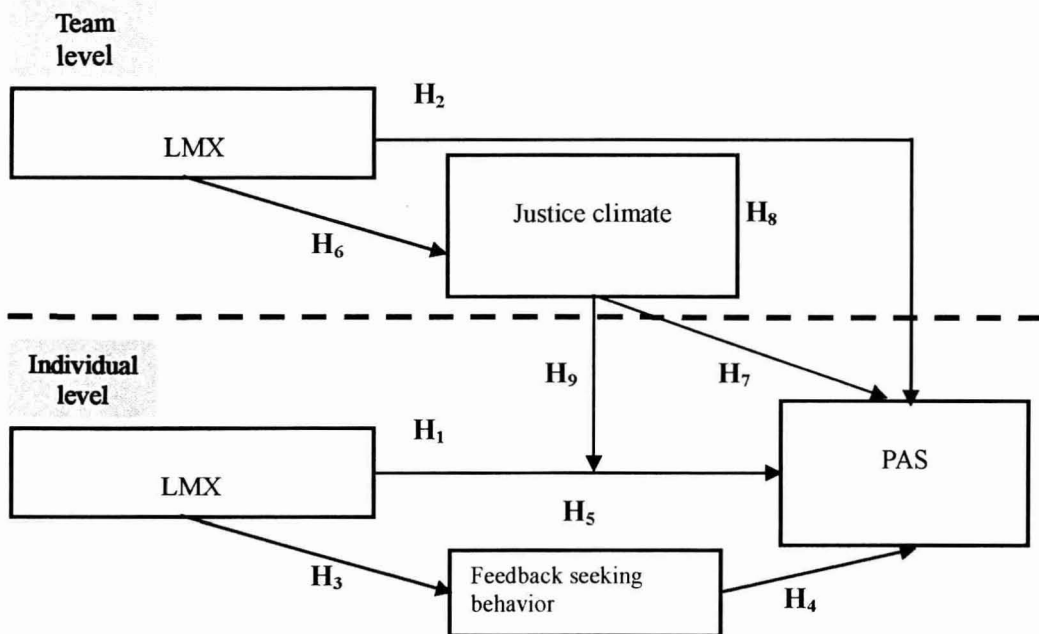
Due to the rapid changes of business environment and intense competition, enterprises have adopted a flattened structure. Gilson and Shalley (2004) and Kozlowski and Bell (2003) thought that team-based operation is widely used by business community because of its elasticity and efficiency. Employees have an important effect on their organization's achievements are valued (Prahalad and Hamel, 1990), A good inspection of performance can improve employees' performance while promoting the performance of the organization itself. Boswell and Boudreau (2002) regarded the performance appraisal as one of the most important human resources management practices in an organization. If the employee doesn't have a positive experience with evaluation, then any assessment system will fail (Cardy and Dobbins, 1994; Murphy and Cleveland, 1995), And that is as most often mentioned by researchers regarding the response of inspection by satisfaction with performance appraisals (Giles and Mossholder, 1990; Keeping and Levy, 2000), The satisfaction with performance appraisals stresses the employee's attitude. Higher satisfaction with performance appraisals indicates that the employee had a better higher chance of participation in the organizational decision-making process and more performance information from top management as well. Therefore, the promotion of employee satisfaction with his or her evaluation can increase the effectiveness of the inspection (Levy and Williams, 2004), Although all of these arguments emphasize the significance of satisfaction with the performance appraisal, the literature reveals that most of the employees of the organization are dissatisfied with it (Bowles and Coates, 1993; Fletcher, 1993; Meyer, 1991), This will have adverse effects on the organization.

First, the performance appraisal is unable to achieve the anticipated impact upon the employee's behavior as well as the aim of future development. Second, it reduces the employee's job satisfaction (Poon, 2004), job performance (Pettijohn, Pettijohn, and d' Amico, 2001), and organizational commitment (Kuvaas, 2006), Dissatisfied employees are the most likely to leave the company (Kuvaas, 2006; Poon, 2004), Therefore, this study is to explain how to increase team members' satisfaction with their evaluations. The leader should

interview the team members about their performance (Elicker, Levy, and Hall, 2006). Although the leader can affect the members' satisfaction with their evaluations, the leader is not always willing to give feedback. This undermines team members' confidence in the evaluation. How should team leaders increase their employees' satisfaction with the evaluation of their performance? Elicker *et al.* (2006) proposed that their exchange relationships can increase satisfaction with the performance appraisal. Levy and Williams (2004) agreed that emphasis should be put on the interaction between the inspector (leader) and the person being inspected (member) and they also claim that the evolution of exchange relations originates from the one-to-one exchange relationship, and then develops into consistent exchange relations with the team (Graen and Uhl-Bien, 1995). This study discusses the impact of exchange relationships on satisfaction with performance appraisal. From the theoretical viewpoint of the superior and the subordinate's exchange relationships, the alteration of the member's attitude and behavior by the team leaders via exchange relationships is emphasized by researchers (Erdogan, Liden, and Kraimer, 2006; Graen and Uhl-Bien, 1995). Therefore, this study makes three arguments. : First, individual-level part, whether can exchange the member's initiative to feedback-seeking behavior when the leader and the member developed the one-to-one exchange relationships, (Lam, Huang, and Snape, 2007; VandeWalle, Ganesan, Challagalla, and Brown, 2000), to define the role which it acts and reduces the uncertainty. Second, team-level part, whether all the team members do feel the common fair treatment when team managers and members developed uniform exchange relationships, then exchange higher team justice climate (Naumann and Bennett, 2000), and has a direct impact on satisfaction with performance appraisals via the Colquitt (2004) third-party justice outcome. Third, the cross-level part, the justice climate is what the team members feel as justice environment (Schneider, White, and Paul, 1998), whether this team's contextual factor acts as the promotion of a situation factor (Howell, Dorfman, and Kerr, 1996), will produce the cross-level moderating effects upon the exchanges of relationships and the satisfaction with performance appraisals to the leader and the subordinate. In summary, this study complements Levy and Williams (2004) and Graen and Uhl-Bien (1995). It is expected that the empirical

study of the cross-level pattern would contribute to the definition and application of performance appraisal satisfaction (Figure 1),

**Figure 1.**  
**Research Structure**



**1.1. Performance Appraisals Satisfaction**

Performance appraisals satisfaction (PAS) is part of the response to performance appraisals. Although the performance appraisal requires some adjustment following the different organizational characteristic, the members of organization are not satisfied with the implementation of the performance appraisal (Bowles and Coates, 1993), Based on previous research, the evolution of the performance appraisal satisfaction is also transformed from viewpoint of previous emphasis on strengthening the measuring into taking serious consideration of the reaction of the person appraised (team members) towards performance appraisal. The measurement of members' satisfaction with performance appraisals would enable one to understand their reaction to those appraisals. The satisfaction with

performance appraisals assists in examining whether the operation of the performance appraisal is normal (Cardy and Dobbins, 1994; Keeping and Levy, 2000), Cawley, Keeping and Levy (1998) performed meta-analysis upon the performance appraisal satisfaction; the outcome revealed that the satisfaction with performance appraisals of interview and satisfaction with performance appraisal system are the most commonly used measures of satisfaction with performance appraisals. Elicker, Levy and Hall (2006) and Giles and Mossholder (1990) adopted these concepts. By synthesizing the literature, this study discusses employees' reaction to appraisals. Based on the definition of performance appraisal satisfaction (PAS) given by Elicker, Levy and Hall(2006) performance appraisals, PAS can be divided into the satisfaction with performance appraisal sessions and with performance appraisal systems. Satisfaction with performance appraisal sessions means satisfaction with performance appraisals of the member upon the implementation method of interview and its content which are deployed by the leader, and satisfaction with performance appraisal systems means team member's satisfaction with performance appraisal.

## **1.2. Leader-Member Exchange Relationship**

The concept of the Leader -Member Exchange Relationship (LMX) is based on the role making, the society exchange, the reciprocal benefit and fairness (Deluga, 1994), On the individual level, Wang *et al.* (2005) viewed that the team manager conveys the role expectation to the team member and the procedure of exchange reciprocal benefit between the team managers and the members in view of the role consultation on the mutual exchange relations' quality and the maturity. Graen and Uhl-Bien (1995) opined that both sides start from the contract-like transactional exchange, to trusts, until there is mutual trust, respect and genuine exchange. When the leader and the subordinate developed the better exchange relationship, the latter will obtain higher trust, resources, authority, and more responsibility from the manager (Schrisheim, Neider, and Scandura, 1998; Yukl and Fu, 1999),

This study defines LMX as the procedure of exchange reciprocal benefit between team managers and members. The bilateral exchange relationship coupled

with the quality of relationship, the level of maturity and the exchange time vary. Erdogan, Liden and Kraimer (2006) proposed that the LMX theory lies in the means adopted by leader in affecting the behavior of the member, Patton (1999) viewed that trust is the essential factor whether there is any exchange relationship between the manager and the employee. Liden, Wayne and Stilwell (1993) stated that when both sides have stable exchange relations, the member will acknowledge that the manager has ability to carry out the performance appraisal. Therefore, they will have more confidence in the manager. Dirks and Ferrin (2001) thought that trust has a remarkable impact upon employees' attitude. The member who has higher LMX quality will then attract more attention from the manager and will have a better performance appraisal. Those subordinates who have high quality of exchange relationships would enter into a more open communication with their manager (Elicker, Levy, and Hall, 2006), During the performance sessions, the manager will convey the role expectation to the member. When both sides have the reciprocal benefit of exchange relationship, the employee will be more pleased with the outcome of the interview; if the manager and the subordinate positioned at the lower quality of exchange relationship, then both parties will lack trust in each other. Therefore, they will not regard the manager as the source of feedback and will be dissatisfied with the performance appraisal. Thus, when trust exists, the subordinate will favor the positive reporting attitude towards the manager. By examining the employee's attitude during the performance appraisal, it was discovered that trust in the manager increases satisfaction with the performance appraisal system. When there is a better exchange relationship, the employee would have more trust in the manager (Korsgaard and Roberson, 1995), This study proposes the following hypotheses:

***H<sub>1</sub>: Individual-level leader-member exchange relationship has a positive impact on the satisfaction with performance appraisal. The better the exchange relationship between the team managers and member, the greater the satisfaction with performance appraisals.***

***H<sub>1-1</sub>: Individual-level leader member exchange relationship has positive impact upon the satisfaction with performance appraisal session.***

***H<sub>1-2</sub>: Individual-level leader-member exchange relationship has positive impact upon the satisfaction with performance appraisal system.***

At the team-level LMX, Cogliser and Schriesheim (2000) viewed that LMX only discussed the development of duality between the group manager and the member. However, average leadership style (ALS) posits that managers will exhibit consistent behavior towards their subordinates. Nachman, Dansereau and Naughton (1983) proposed that LMX and ALS model can concurrently operate. Cogliser and Schriesheim(2000) regarded LMX as a community phenomenon; the team members can sense that there will be no conflicts between managers and employees. Ford and Seers (2006) stated that the team LMX represents the feelings of the team towards consistent exchange relationships. Although the manager will develop different exchange relationships with different members, the manager will be able to compromise these differences apart from aiming at providing the employee a fairer attention and opportunity. Schyns (2006) opined that under the impartial viewpoint of LMX theory, the manager will balance the difference in relationships within the group and maintain a more uniform exchange relationship amongst its members. Ford and Seer also viewed that the team LMX will develop a more effective and consistent relationship with the majority members in the organization. Therefore, this study applies Ford and Seers' definition of level of LMX. We propose that LMX will affect both the individual and the organization. Individual-level LMX stresses the exchange relationships between team managers and members. Graen and Uhl-Bien (1995) opined that the development of the bilateral relations will be affected by the role formation. Fairhurst (1993) believed that the manager and the member produce different exchange relationships and the manager has communicated with the members in different ways. Liao and Chuang (2007) viewed that the team exchange relationships are the state of leadership presented by the manager to the team. Exchange relationships should be common among team members (Hackman, 1992), Graen and Uhl-Bien (1995) emphasized that the manager should develop relationships with subordinates and encourages all team members to develop strong exchange relationships with each other.



The study also confirms that managers influence their team and its members (Liao and Chuang, 2007; Podsakoff and MacKenzie, 1995; Yammarino and Bass, 1991), Therefore, when the manager developed a higher quality of exchange relationships with the team, the team member will share the excellent interactive relationship which will be helpful in enhancing member's satisfaction with performance appraisals. We may deduce that when the team senses a higher LMX, there will be positive impact upon member's satisfaction with performance appraisals. Therefore, this study proposes the following hypotheses:

***H<sub>2</sub> : The team-level leader-member exchange relationships induce a positive impact upon the performance appraisal satisfaction, namely the member's satisfaction with performance appraisals is higher when the team managers and members cooperate in developing higher quality of exchange relations.***

***H<sub>2-1</sub>: The team-level leader-member exchange relationships induce a positive impact upon satisfaction with the performance appraisals session.***

***H<sub>2-2</sub>: The team-level leader-member exchange relationships induce a positive impact upon satisfaction with the performance appraisals system.***

### **1.3. Feedback-seeking Behavior**

Kim, Cable and Kim (2005) regarded the feedback-seeking behavior as part of sense making. Ashford and Black (1996) opined that sense making can help the employee to adapt to the environment and to unanticipated change. Hence, the employees will obtain information from feedback-seeking behavior. This study uses the definition of feedback-seeking behavior by VandeWalle *et al.* (2000) and regards the manager as the main source of feedback-seeking behavior. The employee will inquire the manager regarding one's own job performance, the role expectation, the social behavior and other standpoints and the behavior performance.

### **1.3.1 The Correlation Between Individual-Level Leader-member Exchange Relationships and The Feedback-seeking behavior**

When the team managers and the member improved their exchange relationships, the manager will use those relations to assist the members in clarifying their roles (Callister, Kramer, and Turban, 1999; Morrison, 1993), Feedback-seeking behavior is in itself a kind of communication. When the member senses a good exchange relationship, communication and coordination improve. Hence, feedback-seeking behavior will increase. Although Lam, Huang and Snape (2007) argued that feedback-seeking behavior promotes relationships between the manager and the member, this study uses exchange relationships theory propounded by Erdogan, Liden and Kraimer (2006), They proposed that the essence of exchange relationships lies in the stimulation of member's behavior by the manager through exchange relations. The central point of this study is whether the high quality of exchange relationships will cause both parties to have more trust and more proactive feedback-seeking behavior. This study discusses whether the high quality of exchange relationships between the team manager and member will promote feedback-seeking behavior. As a result, this study proposes the following hypotheses:

***H<sub>3</sub> : The individual-level leader-member exchange relationships have a positive impact on feedback-seeking behavior. The better the relationship between the manager and the member, the more frequent the feedback-seeking behavior.***

### **1.3.2. The Correlation Between Feedback-seeking Behavior and Performance Appraisal Satisfaction**

Kim, Cable and Kim (2005) regarded feedback-seeking behavior as the proactive behavior. Elicker, Levy and Hall (2006) stated that the key to performance appraisal lies in the team managers and the member in carrying out individual and official feedback of performance. Feedback is usually the kind of activity which the employee and the manager can perform face-to-face. Morrison (1993) and Renn and Fedor (2001) claimed that employees who are engaged in

feedback-seeking behavior have a better understanding of work-related problems. By reducing the uncertainty, the role position of the team member is clarified where it satisfies the member's expectation of measuring information. This will enhance the frequency of the feedback-seeking behavior apart from increasing satisfaction with the performance appraisal session. O'Reilly (1977) considered that the member sees the manager as the vital source of information and feedback. VandeWalle *et al.* (2000) viewed that when the manager is the object of the member's main feedback-seeking behavior, the member and the manager clarify individual performance and social behavior. This discussion allows the member to clarify the performance appraisal and ensure satisfaction. This will encourage the feedback-seeking behavior that increases satisfaction with performance appraisals. This leads to the following hypotheses:

***H<sub>4</sub>: The feedback-seeking behavior has a positive impact upon the performance appraisal satisfaction. Satisfaction with performance appraisals will be higher if the frequency of feedback-seeking behavior is higher.***

***H<sub>4-1</sub>: The feedback-seeking behavior has a positive impact upon satisfaction with the performance appraisal session.***

***H<sub>4-2</sub>: The feedback-seeking behavior has a positive impact upon satisfaction with the performance appraisal system.***

According to the literature, good exchange relationships between team leaders and the subordinate encourage feedback-seeking behavior. This increases satisfaction with performance appraisal sessions and with performance appraisal systems. This study deduces that the leader and the team member increase their satisfaction with performance appraisal sessions and systems. This study proposes the following hypotheses:

***H<sub>5</sub>: The effect of individual-level leader-member exchange relationships on the member's performance appraisal satisfaction is mediated through feedback seeking behavior.***

*H<sub>5.1</sub>: The effect of individual-level leader-member exchange relationships on the member's satisfaction with performance appraisal sessions is mediated through feedback seeking behavior.*

*H<sub>5.2</sub>: The effect of individual-level leader-member exchange relationships on the member's satisfaction with performance appraisal systems is mediated through feedback seeking behavior.*

## **4. The Team Justice Climate**

The team justice climate originates from the just feeling of the team members and the team justice climate was valued following the team issues (Cohen and Bailey, 1997; Konovsky, 2000), Mossholder, Bennett and Martin (1998) and Naumann and Bennett (2000) claimed that comparing individual-level justice consciousness, the team justice climate can be used to predict job satisfaction, work attitude, and behavior. Based on the deduction above, in the past, many researches were discussing the team members' consciousness of procedural and interactive justice. Therefore, this study considers that under the influence of the team society context, justice climate in a team and individual function of influence. This study is based on the literature on justice climate (Liao and Rupp, 2005; Mossholder, Bennett, and Martin, 1998), It also examines the impact of the procedural and the interactive justice climate on satisfaction with performance appraisals. This study uses the definitions of procedural justice and interactive justice propounded by Elicker, Levy with Hall (2006), and Chan (1998),

### **4.1. The Impact of Team-Level Leader-Member Exchange Relationships upon the Team Justice Climate**

The team members' consciousness of the atmosphere is affected by the team's context (Schneider, White, and Paul, 1998), Hackman (1992) opined that the manager's behavior will affect the team justice climate. Graen and Uhl-Bien (1991) opined that the team managers and the member will develop a partnership in which team members feel a greater sense of justice. Graen and Uhl-Bien (1995)

thought that the manager will establish a better relationship with the team members by considering transparency and fairness in policy-making. This leads to a stronger sense of procedural justice. The viewpoint of the LMX theory lies in affecting the member's attitude and behavior via the exchange relationship, and Graen and Uhl-Bien (1995) all viewed that high quality of exchange relationship will have positive impact upon the team. Therefore this study adopts the viewpoint of ASA (attraction-selection-attribution), This study deduces that when the team members feel the similar consciousness of justness, the justice climate will improve. Therefore, the team leader-member- exchange relationship can promote interactive and the procedural justice. In summary, this study proposes the following hypotheses:

*H<sub>6</sub> : The team-level leader-member exchange relationship has positive impact upon the team justice climate. The team justice climate will be higher when the manager and members developed good exchange relationships.*

*H<sub>6-1</sub> : The team-level leader-member exchange relationship has positive impact upon the interactive justice climate.*

*H<sub>6-2</sub> : The team-level leader-member exchange relationship has positive impact upon the procedural justice climate.*

#### **4.2. The Impact of Team Justice Climate upon the Performance Appraisal Satisfaction**

Schneider, White and Paul (1998) regarded the justice climate as the working conditions where the team members feel emotional atmosphere, and Naumann and Bennett (2000) viewed that the lack of justice consciousness will spread within the team when the majority team members faced unfair treatments. Liao and Rupp (2005) proposed that individual attitude and the behavior will be affected by the other team members. Colquitt (2004) stated that the people will also care about third-party justice. Jawahar (2006) proposed that the member needs to interact with the manager during the performance session. Interactive justice is the consciousness of the fairness of the policy and decision maker (Cawley, Keeping,

and Levy, 1998; Elicker, Levy, and Hall, 2006), Therefore, the member's satisfaction with performance appraisals will be promoted when the team has high interactive justice climate. O'Reilly (1977) proposed that the manager is an important source of information. When the team has a good interactive justice climate, the member can have more communications and interaction with the manager and a better understanding as to the system of performance. Hence, the member's sense of performance appraisal systems will be improved. The team member that sense procedural justice will realize the fairness of the assignment and decision-making procedure. Mossholder, Bennett and Martin (1998) proposed that when the team has a high procedural justice climate, the members believe that they can bring benefits to the session. The member will also be satisfied with the performance interview; under the procedural justice climate, the team members will have the faith in the performance appraisal. Hence, the procedural justice climate will enable the members to understand the performance appraisal. In summary, this study proposes that the following hypotheses:

***H<sub>7</sub> : The team justice climate has a positive impact upon the performance appraisal satisfaction. Namely, the satisfaction with performance appraisals will be higher when the members sense higher team justice climate.***

***H<sub>7-1</sub> : The interactive justice climate has a positive impact upon satisfaction with performance appraisal sessions.***

***H<sub>7-2</sub> : The procedural justice climate has a positive impact upon satisfaction with performance appraisal session.***

***H<sub>7-3</sub> : The interactive justice climate has a positive impact upon satisfaction with performance appraisal systems.***

***H<sub>7-4</sub> : The procedural justice climate has a positive impact upon satisfaction with performance appraisal systems.***

#### **4.3 The Team-level Leader-member Exchange Relationship will Effect Satisfaction with Performance Appraisals Via the Mediating Effect of The Team Justice Climate.**

The team-level LMX can promote the satisfaction with performance appraisal sessions and satisfaction with performance appraisal systems. Team-level LMX shapes the team's interactive relationship and the procedural justice climate. The climate can promote satisfaction with performance appraisals. Therefore, the team-level LMX can promote satisfaction with performance appraisal sessions and satisfaction with performance appraisal systems. This research proposes the following hypotheses:

- H<sub>8</sub> : The impact of team-level leader-member exchange relationship on performance appraisal satisfaction is mediated through justice climate. Namely, the relationship between team-level leader-member exchange relationship and performance appraisal satisfaction will be higher when team members sense higher team justice climate.*
- H<sub>8-1</sub> : The impact of team-level leader-member exchange relationship on satisfaction with performance appraisal sessions is mediated through interactive justice climate.*
- H<sub>8-2</sub> : The impact of team-level leader-member exchange relationship on satisfaction with performance appraisal sessions is mediated through procedural justice climate.*
- H<sub>8-3</sub> : The impact of team-level leader-member exchange relationship on satisfaction with performance appraisal systems is mediated through interactive justice climate.*
- H<sub>8-4</sub> : The impact of team-level leader-member exchange relationship on satisfaction with performance appraisal systems is mediated through procedural justice climate.*

#### **4.4. The Team Justice Climate will Moderate the Impact of The Leader Member Exchange Relationship upon The Performance Appraisal Satisfaction.**

The justice climate is a community's contextual factor, and Howell, Dorfman and Kerr (1996) regards it as a factor of stimulation of situation the justice climate which is helpful in promoting the impact of the leader-member exchange relationship upon the performance appraisal satisfaction. As for the part of satisfaction with performance session, all members receive the same treatment under the interactive justice climate. Therefore, it will be helpful in strengthening the positive impact of the individual-level manager and the member exchange relationship upon the satisfaction with the performance appraisal session.

In contrast, under a low interactive justice climate, the positive impact of the individual-level LMX upon the satisfaction with performance appraisal session is weaker. Under the higher interactive justice climate, it will be helpful for the team members and the managers to have the communication on the performance appraisal systems, the member will also have higher degree of satisfaction to the system design. Therefore, higher interactive justice climate will strengthen the positive impact of individual-level LMX upon satisfaction with the performance appraisal system. Under a low interactive justice climate, the positive impact of individual-level LMX upon satisfaction with the performance appraisal system is weakened when the member senses that the other people in the team are being treated unfairly. Under the higher procedural justice climate, all the members sense the procedural conformity to be just. This will strengthen the positive impact of individual-level LMX upon satisfaction with the performance appraisal system. In the lower justice climate, it will weaken the positive impact of individual-level LMX upon satisfaction with the performance appraisal system. In summary, under different interactive and procedural justice climate, the relationship between the individual-level LMX and the performance appraisal satisfaction will bring moderation. Therefore, this study proposes the following hypotheses:

***H<sub>9</sub> : The interventional function of team justice climate has the moderating effect against the relationship between LMX and performance appraisal***



*satisfaction*

*H<sub>9.1</sub> : Under higher interactive justice climate, it will strengthen the positive impact of individual-level LMX upon satisfaction with the performance appraisal session. On the contrary, under the lower interactive justice climate, it will weaken the positive impact of individual-level LMX upon satisfaction with the performance appraisal session.*

*H<sub>9.2</sub> : Under higher procedural justice climate, it will strengthen the positive impact of individual-level LMX upon satisfaction with the performance appraisal. On the contrary, under the lower procedural just atmosphere, it will weaken the positive impact of individual-level LMX upon satisfaction with the performance appraisal session.*

*H<sub>9.3</sub> : Under higher interactive justice climate, it will strengthen positive impact of individual-level LMX upon satisfaction with the f performance appraisal systems. On the contrary, under the lower interactive justice climate, it will weaken the positive impact of individual-level LMX upon satisfaction with the performance appraisal systems.*

*H<sub>9.4</sub> : Under higher procedural justice climate, it will strengthen positive impact of individual-level LMX upon satisfaction with the performance appraisal systems. On the contrary, under the lower procedural justice climate, it will weaken the positive impact of individual-level LMX upon satisfaction with the performance appraisal systems.*

## **5. Methodology**

### **5.1. Sample**

According to the objectives of research and the characteristic of the object of study, the purposive sampling is used to gather data. The object of study must have the performance session (manager to carry out communication with the employee based on the achievement of performance) and performance appraisal

system (carry out at least one official performance examination annually), The team member should be evaluated by the team manager subjectively. This study refers to George (1990) in order to select the criterion of working team. This study took the science and technology of industry and company under the Ministry of Economic Affairs Business and Labor's registration as information for the group community. One hundred twenty companies were selected and a total of 150 working teams administered the questionnaires. Three team members were matched by 1 team leader in performing the pairing sample. This pairing method originated from the "the origin isolation method" and it will reduce common method variance (CMV) (Peng, Lin, and Kao, 2006; Kirkman and Rosen, 1999), This study expects to reduce the members' comments upon the common method variation for the self performance appraisal satisfaction. The study will use "the significant questions" as the questionnaire design. In addition, to avoid defensive attitude amongst the person appraised, the questionnaires are anonymous and hermetically sealed. There is one questionnaire for team managers, and another one for team members. The team member's questionnaire contains the scale of performance appraisal satisfaction, and the scale of the leader-member exchange relationship. The manager's questionnaire only contains questions about feedback-seeking behavior. In addition, the method of adding up the overall average individual consciousness to the team level (Liao and Rupp, 2005) is used to eliminate perception inflation caused by the peer report and to reduce the CMV.

## **5.2. Research Instrument**

The research instrument is developed by referring to the literature, the academic circle and the practical realm experts are invited to comment and suggest on the clarity of the language and the suitability of the topics. It causes this study to use various scales which have content validity to a certain extent.

### **5.2.1 Scale of Performance Appraisal Satisfaction**

The scale developed by Elicker, Levy and Hall (2006) and originated from Giles and Mossholder (1990) uses a 5-point Likert-type scale. The questionnaire

is divided into satisfaction with the performance appraisal session and satisfaction with the performance appraisal system. Each part contains three questions. Relevant examples were, for instance: “the manager will aim at carry out an effective performance interview about my achievement” as well as “the performance appraisal system is able to be fair and unmistakably assess my performance.” The factor loading obtained from the questions range was from .75 to .94. The optimum matching level indicator CFI was .99, GFI was .97, NNFI was .97, SRMR was .04, RMSEA was .10 and the above indicator values show that this aspect model and optimum matching level of actual obtained information is acceptable. The Cronbach's alpha value of satisfaction with the performance appraisal session and satisfaction with performance appraisal system is .74 and .75; and the Composite Reliability is .90 achieving the proposed standard value of above .50 by Raines-Eudy (2000), showing that the internal consistency is good and possesses certain convergent validity. This scale had not defined that the pattern (2 factors) compare with the defined pattern (1 factor), Each indicator has better optimum matching level, and the changes in the chi-square degree-of-freedom are comparatively significant (Anderson and Gerbing, 1988), Therefore, the two dimensions are different.

### **5.2.2. The Scale of the Leader-Member Exchange Relationships**

By using the scale of Graen and Uhl-Bien (1995), this research uses five point Likert-type scales. Initially there are seven questions. The scale ranged from “Extremely agreeable” to “Extremely disagreeable”. Relevant examples were, for instance: “Does my direct manager understand my question and demand in the work.” The factor loading obtained from the questions range was from .69 to .86. The optimum matching level indicator CFI was .98, GFI was .94, NNFI was .96, SRMR was .05, RMSEA was .13 and the above indicator values show that this aspect model and optimum matching level of actual obtained information is acceptable with the Cronbach's Alpha value of .91; and the Composite Reliability is .91 achieving the proposed standard value of above .50 by Raines-Eudy (2000), showing that the internal consistency is good. In addition, for the part of the team level LMX within group agreement measure (Rwg(j))

mean value is .95, and ICC (1) reaches .41 to be bigger than the suggested .12 by James (1982), and ICC (2) reaches .68 to be larger than the suggested .50 by Ostroff and Schmitt (1993) which showed that it was suitable to use the added overall average method to manage individual and team-level information.

### **5.2.3. The Scale of Feedback-seeking Behavior**

The scale of VandeWalle et.al (2000) is adopted in this study. Initially there are five questions. Relevant examples were, for instance: “such employee will inquire you about his professional performance in work.” The factor loading obtained from the questions range was from .76 to .95. The optimum matching level indicator CFI was .96, GFI was .94, NNFI was .90, SRMR was .04, RMSEA was .17 and the above indicator values show that this aspect model and optimum matching level of actual obtained information is acceptable with the overall Cronbach's Alpha value is .89; and the Composite Reliability is .81 achieving the proposed standard value of above .50 by Raines-Eudy (2000), showing that the internal consistency is good. From the above numerical values, this scale possesses reliability and convergent validity.

### **5.2.4. The Scale of Justice Climate**

The scale developed by Elicker, Levy and Hall (2006) is adopted by using a 5-point Likert-type scale. The questionnaire is divided into sections on interactive and procedural justice. Relevant examples were: “I feel that the performance appraisal procedures are objectively fair” as well as “during the performance appraisal process, the manager will treat me fairly.” The factor loading obtained from the questions range was from .62 to .99. The optimum matching level indicator CFI was .97, GFI was .92, NNFI was .96, SRMR was .07, RMSEA was .10 and the above indicator values show that this aspect model and optimum matching level of actual obtained information is acceptable. The Cronbach's Alpha value of the interactive justice and procedural justice is .93 and .88; and the Composite Reliability are .88 and .94 respectively, exceeding the proposed standard value of .50 by Raines-Eudy (2000), showing that the internal consistency is good and possesses convergent validity. In addition, the the interactive justice and

procedural justice within group agreement measure (Rwg(j)) mean value is .91 and .92. ICC (1) is respectively .46 and .24 to be bigger than the suggested standard of .12 by James(1982), and ICC(2) reaches .72 and .49 to be bigger than the suggested .50 by Ostroff and Schmitt(1993) which showed that it was suitable to use the added overall average method to manage individual information as the team level information.

### **5.2.5. Control Variables**

Blau (1999) pointed out that the member's previous appraisal satisfaction would affect their present appraisal satisfaction. Hence, this study will perform control for this integration. Graen and Uhl-Bien (1995) thought that the amount of time that the manager and the member worked together would affect satisfaction with the performance appraisal. Therefore, the time as colleagues would be the control variable. The scholars also take the time for the team establishment as the control variable (Dobbins, Cardy, and Platz-Vieno, 1990), This study regards the team level as the control variable.

### **5.3. Data Analysis Method**

This study uses confirmatory factor analysis to examine the reliability of the instrument, as well as the narrative statistics and the correlation analysis to understand variable relations in order to confirm each hypothesis by Hierarchical Linear Model (HLM), The mediating variable's confirmation step refers to the method of Baron and Kenny (1986) and the pattern of confirmation of the HLM refers to confirmatory conditions set by Hofmann (1997), As this study is operated based on the HLM, and is referred to scholars' suggestions (Hofmann and Gavin, 1998; Liao and Chuang, 2007), to explain that the entire variables adopt the grand-mean centering way to process. This reduces the relevance of the team level intercept and the slope estimates. It also reduces the possible occurrence of multi-collinearity. In addition, this research uses the random effect to carry out the parameter estimation and the pattern confirmation besides strengthening the sample inferential. It may carry out estimate of the parameter

with the aid of all material information. Apart from that, this study uses maximum-likelihood method to estimate the parameters.

## **6. Research Results**

### **6.1. Descriptive Statistics of Each Variable and the Relevant Coefficient**

After this study excluded the questionnaire with over consistent filled in answers, obvious randomly filled in answers as well as the group agreement measure (rwg(j)) is lower than .70, there were 81 questionnaires from managers and 243 from employees.

The employee's sample statistic of population characteristic includes: 54.3% for the male, 58.4% unmarried, the average age is 32 years old, 53.1% for the university colleges and universities education background, the team population are below 6 people (51.9%), the average period of service is 4.5 years, the time working together as colleagues with the manager ranges from 1 year to 3 years (42.8%), the frequency of one year implementation of performance appraisal in team mostly are 2 times (including) below (88.9%), According to the correlation matrix in Table 1, that majority control variable assumes a remarkable relationship with satisfaction with the performance appraisal session and satisfaction with the performance appraisal system.

The correlation coefficient of the main variable of individual-level LMX, feedback-seeking behavior, team-level LMX, the interactive justice climate, the procedural justice climate and satisfaction with performance appraisal sessions and satisfaction with the performance appraisal systems are all being placed between .16 to .64, and the relevance all reaches the remarkable standard ( $p < .05$ ), Hierarchical Linear Model analysis is used to confirm the hypotheses.

**Table 1**  
**Correlation Matrix**

variable	Mean	S.D.	1	2	3	4	5	6	7	8	9
the time working together	2.37	2.24									
PAS(last time)	3.35	.71	.04								
the time for the team establishment	10.42	7.8	.09	.09							
LMX(individual level)	3.64	.63	-.06	.32**	-.08						
feedback seeking behavior	2.55	.90	-.03	.10	.11	.21**					
LMX(team level)	3.64	.49	-.04	.22	-.11	.78**	.19**				
Interactive justice climate	3.78	.59	-.10	.23**	-.17**	.60**	.23**	.77**			
procedural justice climate	3.08	.80	.04	.11	-.07	.25**	.03	.32**	.32**		
PAS(session)	3.37	.70	-.18**	.33**	-.11	.64**	.28**	.49**	.51**	.22**	
PAS(system)	3.06	.80	-.07	.29**	-.04	.45**	.16*	.28**	.34**	.17**	.55**

1 : \* $p < .05$  \*\* $p < .01$ (N = 243)

## 6.2. The Result of This Study on The Performance Appraisal Satisfaction using The Hierarchical Linear Modelling Analysis

This study uses the mediating effect of confirmatory step by Baron and Kenny (1986) and refers to the procedure of Liao and Chuang (2007) on Hierarchical Linear Modelling (HLM) analysis to confirm the hypotheses. First, the study performs null model analysis upon satisfaction with the performance appraisal session and performance appraisal system to understand whether the two variables are suitable to be carried out with the following analysis. Moreover, on the part of confirmation on the mediating effect, it uses the random coefficient

and the intercept forecast mix model are carried out for analysis. If the individual level intercept presents the remarkable variation ( $\tau_{00} p < .05$ ), then suitable to carry on the intercept model analysis, representing the intercept of variation at individual level can be remarkably explained by the team level variable ( $\gamma_{01} p < .05$ ), namely presents the cross-level direct effect. Uses the mix model confirmation of independent variable (individual-level LMX and team-level LMX) to have remarkable influence upon the mediating variable (feedback-seeking behavior and team justice climate) (condition one); Next, independent variable (individual-level LMX and team-level LMX) as well as the mediating variable (feedback-seeking behavior and team justice climate) respectively have remarkable influence on the dependable variable (satisfaction with performance appraisal session and satisfaction with performance appraisal system) (condition two), Finally, after engaged the mediating variable (feedback-seeking behavior and team justice climate), independent variable (individual-level as well as team-level LMX) weakens the influence level of dependable variable (performance session satisfaction) (partly mediating effect) or presents not the obvious (completely mediating effect); If the intercept model assumes the cross-level direct effect ( $\gamma_{01} p < .05$ ) obviously and slope of individual level remarkable variation ( $\tau_{11} p < .05$ ), then it is suitable to carry out the slope prediction model analysis. Through the analysis of slope prediction model, the existence of disturbance outcome from the justice climate against the relationship between the individual-level LMX and satisfaction with performance session and performance appraisal system can be analyzed. If individual-level slope variation is explained by the team variable, then the cross-level disturbance effect is obviously assumed ( $\gamma_{11} p < .05$ ), representing the cross-level moderating effect.

### **6.2.1. Null Model Analysis**

After the confirmation of null model, the group variance of performance interview and system of performance satisfaction ( $\tau_{00}$ ) respectively is .14 ( $\chi^2 = 175.96$ ,  $df = 80$ ,  $p < .001$ ) and .14 ( $\chi^2 = 144.19$ ,  $df = 80$ ,  $p < .001$ ), representing the variation of satisfaction with the performance session and performance system under different team obviously is bigger than 0. ICC(1) of satisfaction with



performance session and performance system respectively are .28 and .21, indicating that satisfaction with the performance session and performance system has 28% and 21%. This variation is possibly created by the team level. Hence, it is suitable for HLM analysis.

### **6.2.2. The Mixed Model Analysis of Random Coefficient and The Intercept Forecast Pattern**

In the mixed pattern Model1, individual-level LMX has a remarkable impact upon the feedback-seeking behavior ( $\gamma_{10} = .30, p < .001$ ), Therefore hypothesis *H3* was established, and team-level LMX does not present a remarkable impact upon the feedback-seeking behavior ( $\gamma_{10} = -.22, p > .05$ ), showing that the feedback-seeking behaviour will be affected by the individual-level LMX. Therefore this conforms to condition one within the confirmation of mediating effect as propounded by Baron and Kenny (1986) since the variable affects the mediating variable. When the study confirms the impact of the individual level and team level upon the performance appraisal satisfaction, individual-level LMX has the remarkable variation upon the gap between satisfaction with the performance session and with the performance system ( $\tau_{00} p < .05$ ), This tallies with the condition by Hofmann (1997) in confirming the cross-level direct effect. When Model2-1 was put to the performance session satisfaction, individual-level LMX will obviously affect the performance session satisfaction ( $\gamma_{10} = .65, p < .001$ ), therefore hypothesis *H1-1* was established. The team-level LMX has no remarkable impact upon the performance session satisfaction ( $\gamma_{01} = -.07, p > .05$ ), therefore hypothesis *H2-1* will be untenable. When Model2-2 was put to the system of performance satisfaction, individual-level LMX will obviously affect the performance system satisfaction ( $\gamma_{10} = .60, p < .001$ ), hypothesis *H1-2* was established, but team level LMX has no remarkable impact upon the system of performance satisfaction ( $\gamma_{01} = -.11, p > .05$ ), therefore the hypothesis *H2-2* will be untenable. Therefore individual-level LMX has positive influence upon the performance appraisal satisfaction, hence, the hypothesis *H1* was established, conforming to the condition two of Baron and Kenny(1986) which confirms the mediating effect. The independent variable can

**Table 2**  
**The Result of HLM**

Dependent variable	Feedback seeking behavior	PAS(session)			PAS(system)	
		Model1	Model2-1	Model3-1	Model2-2	Model3-2
<i>Level-1</i>						
<i>intercept</i>	2.91 <sup>***</sup>	3.24 <sup>***</sup>	2.98 <sup>***</sup>	3.00 <sup>***</sup>	2.54 <sup>***</sup>	
<i>LMX(individual level)</i>	.30 <sup>***</sup>	.65 <sup>***</sup>	.61 <sup>***</sup>	.60 <sup>***</sup>	.61 <sup>***</sup>	
<i>Feedback seeking behavior</i>			.11 <sup>**</sup>		.06	
<i>The time working with supervisor</i>	.00	-.04 <sup>**</sup>	-.05 <sup>**</sup>	-.15	-.03	
<i>PAS(last time)</i>	-.02	.17 <sup>***</sup>	.15 <sup>**</sup>	.15 <sup>*</sup>	.13 <sup>+</sup>	
<i>Level-2</i>						
<i>LMX(team level)</i>	-.22	-.07	-.14 <sup>+</sup>	-.11	-.30 <sup>**</sup>	
<i>interactive justice climate</i>	.08		.02		-.08	
<i>procedural justice climate</i>	.03		.18 <sup>*</sup>		.54 <sup>***</sup>	
<i>the time for the team establishment</i>	.01	-.01	-.01	.00	.00	
<i>n(Level-1)</i>	243	243	243	243	243	
<i>n(Level-2)</i>	81	81	81	81	81	
<i>Model deviance</i>	487.60	395.29	394.16	532.48	511.30	

1 : <sup>+</sup> $p < .10$ ; <sup>\*</sup> $p < .05$ ; <sup>\*\*</sup> $p < .01$ ; <sup>\*\*\*</sup> $p < .001$

affect the dependent variable, meeting the condition two. Team-level LMX has no remarkable influence upon the performance appraisal satisfaction, therefore

hypothesis *H2* is untenable and has not been able to conform to condition two of Baron and Kenny(1986) which confirms of the mediating effect. In Model2-1, individual-level LMX will affect satisfaction with the performance session of with the performance system. Therefore, the mediating variables of feedback-seeking behavior, the interactive justice climate and the procedural justice climate are put separately in Model3-1 and Model3-2. In Model3-1, after the feedback-seeking behavior being put, individual-level LMX still assumed obvious relationships with the performance session satisfaction ( $p < .001$ ), but Beta coefficient dropped from .65 to .61, and feedback-seeking behavior was remarkable upon the performance session satisfaction ( $\gamma_{10} = .18, p < .01$ ), the hypothesis *H4-1* was established, conforms to condition three of Baron and Kenny(1986)which confirms the mediating effect, therefore feedback-seeking behavior assumes partial mediating effect to individual-level LMX and relationships of satisfaction with the performance session, therefore *H5-1* was established; Interactive justice climate was not remarkable upon the performance session satisfaction ( $\gamma_{01} = .02, p > .05$ ), therefore hypothesis *H7-1* was untenable, however the procedural justice climate will obviously affect the performance session satisfaction ( $\gamma_{02} = .18, p < .05$ ), therefore hypothesis *H7-2* was established. In Model3-2, after putting the feedback-seeking behavior, the relevance and Beta coefficient between the individual-level LMX and performance session satisfaction were reduced, and feedback-seeking behavior obviously did not influence performance session satisfaction ( $\gamma_{10} = .18, p > .05$ ), therefore hypothesis *H4-2* was untenable. The feedback-seeking behavior has the mediating effect on individual-level LMX and relationships of the performance session satisfaction; therefore *H5-2* was untenable. According to the above confirmation of hypothesis, since team level LMX does not affect performance session satisfaction and the performance system satisfaction ( $p > .05$ ), hypothesis *H8* was untenable. As for the part of cross-level moderating effect upon the justice climate, in Model2-1, individual-level LMX has not had the emarkable variation to the slope of the performance session satisfaction ( $\tau_{11} = .05, p > .05$ ), therefore the relationships between the interactive and the procedural justice climate to individual-level LMX and the performance session satisfaction has not had the cross level

moderation effect, hypotheses *H9-1* and *H9-2* were untenable. In Model2-2, individual-level LMX has not had the remarkable variation to slope of the performance system satisfaction ( $\tau_{11} = .06, p > .05$ ), therefore the relationships between the interactive and the procedural justice climate to individual-level LMX and the performance session satisfaction has not had the cross-level moderating effect, therefore hypotheses *H9-3* and *H9-4* were untenable.

## **7. Conclusions and Suggestions**

This section will explain and discuss the theory and the meaning of management practice. It will then identify the research limitations and make suggestions for future research.

### **7.1. The Main Discovery and Discussion of this Research**

#### **7.1.1. The Positive Impact of The Individual Level LMX upon Satisfaction with Performance Appraisal**

This study discusses satisfaction with the performance sessions and the performance system, which is the process often neglected in the past (Levy and Williams, 2004), but it will create impact upon the employee's job satisfaction, organizational commitment and job performance (Kuvaas, 2006; Poon, 2004), Amongst the factors that influence the performance appraisal process, the interaction between the manager and the employee is the most potent (Elicker, Levy, and Hall, 2006; Liden, Wayne, and Stilwell, 1993), According to the research result, individual -level LMX has positive impact upon satisfaction with the performance session and the performance system; the manager and the member establish the exchange relationships which can improve the employee's performance and satisfaction with the system. Good relationships between managers and employees promote trust, loyalty and communication. This assists the employees in clarifying their role and understanding their performance (Elicker, Levy, and Hall, 2006; Liden, Wayne, and Stilwell, 1993; Patton, 1999),

### **7.1.2. The Positive Impact of Feedback-seeking Behavior upon The Performance Session Satisfaction**

According to the past research, the employee will seek feedback to understand the manager's expectations (Ashford and Tsui, 1991; Morrison, 1993), From the confirmation result, feedback-seeking behavior has positive impact upon satisfaction with the performance sessions. We can understand that when the manager sensed that the employee inquires about his or her performance, he or she will receive more information and make a better impression on the manager. Hence, it is helpful to clarify the manager's expectation towards his or her role. The employee will also have higher performance session satisfaction. Morrison (1993) thought that those employees who seek feedback will understand their own performance, conform to the manager's expectation, and have greater satisfaction with their performance sessions. However, with regards to the system of performance satisfaction, the manager acts as the system's implementer. When the manager sees the member's feedback-seeking behavior, usually the employee will not discuss the system with the manager. Both sides stress achievements and social behavior. Hence, feedback-seeking behavior will not affect satisfaction with the performance system.

### **7.1.3. The Feedback-seeking Behavior Has Partially Mediating Effect upon The Relationships between Individual-level LMX and The Performance Session Satisfaction**

This study verifies the proposal of Erdogan, Lden with Kraimer (2006) that the manager affects the member's behavior. Feedback-seeking behavior has partially mediating effect on the relationship between individual-level LMX and performance session satisfaction. However, the manager and member's exchange relationships, cannot promote satisfaction with the performance system through feedback-seeking. The manager senses that the information lies in individual performance and social behavior. Hence, the feedback-seeking behavior will not

affect the member's satisfaction with the performance system. Hence, encouraging feedback-seeking behavior will not increase the impact of team manager and employee exchange relationships upon satisfaction with the performance system. Graen and Uhl-Bien (1995) believed that when the team managers and the member develop a strong exchange relationship, the member will obtain more attention and resources, and by the higher achievements performance, trust and positive feedback to the manager. Both sides will carry out open and comfortable communication. This will be helpful in conveying the role expectation of the manager to the member. Elicker, Levy and Hall (2006) thought that key to satisfaction with performance appraisals lies in the individual and feedback on performance between the manager and the member. This is helpful for the team members to clarify the manager's role expectation (Morrison, 1993), creation of positive impression (Ashford and Tsui, 1991) and reduces the achievements performance's uncertainty (Callister, Kramer, and Turban, 1999), The communication will be strengthened by satisfying the member in gaining the performance information expectation which will then enhance the employee's performance session satisfaction.

#### **7.1.4. The Procedural Justice Climate Has Positive Impact upon The Performance Appraisal Satisfaction**

This study has the similar viewpoints of Levy with Williams (2004) that discuss the importance of society context upon the process of performance appraisal. Liao and Rupp (2005) and Colquitt (2004) thought that comparing the individual just consciousness, the team justice climate can affect the team member's behavior and the work attitude. The procedural justice climate has positive impact upon the performance session and the performance system; the higher the team procedural justice climate, the higher the team member's satisfaction with performance appraisals. However, the interactive justice climate does not have a significant influence upon satisfaction with the performance sessions and the performance system. Individual-level LMX is influenced by the satisfaction with performance appraisals and if the team members feel the higher procedural justice climate, it will affect the team's emotional atmosphere in the team. Mossholder, Bennett and Martin (1998), and Naumann and Bennett (2000)

recognize that such procedural justice climate which was transformed from an emotional atmosphere can affect individual behavior. The establishment of the team managers and the member exchange relationship is able to promote the employee's satisfaction with performance appraisals, but attention must be paid to the maintenance of the team internal procedural justice. When the team managers implement the performance appraisal, they should consider whether the assignment of decision-making and procedure regarding the member's performance are consistent.

## **7.2. The Implication of Management**

### **7.2.1. The High Quality of The Team Manager and Member Exchange Relationships will Enhance The Member's Satisfaction with The Performance Appraisal**

The conclusion of this study explains that the team managers and member's exchange relationships can increase the member's satisfaction with the performance appraisal. The high exchange relationships can promote trust, emotion and loyalty, and managers use this transformation of leadership to improve exchange relationships (Cogliser and Schriesheim, 2000; Graen and Uhl-Bien, 1995), In summary, the establishment of good exchange relationships between the manager and the employee would enable the employee to achieve more and enjoy a higher degree of satisfaction. When the team managers and the member establish the exchange relationships, the manager must promote bilateral relationships and not just to let the employee obtaining good performance which in turn causes the team member satisfaction with performance appraisals. But it should be via the exchange relationships to enhance the bilateral communication and trust which will then promote the employee's performance appraisal satisfaction. Wang *et al.* (2005) proposed that the transformation of leadership is helpful to the development of exchange relationships, and the company should develop and promote the relationships between the team managers and members. By promoting the bilateral relationship, the member's satisfaction with performance appraisals will be increased. In addition, the study has found that most members are not satisfied with the performance appraisal because the

employee is unable to obtain immediate and satisfactory information. Neither party is willing to discuss or draw up an improvised plan based on performance. This leads to the member's dissatisfaction with the performance appraisal session. However, the manager is the important source of information of members' performance (Dobbins, Cardy, and Platz-Vieno, 1990), If the manager can establish the exchange relationships, then both sides should be able to discuss achievements information. The manager can give moderate feedback on the employee's performance.

### **7.2.2. To Understand and Encourage The Team Members to Show Feedback-seeking Behavior**

This study was commenting on the member's feedback-seeking behavior by the manager. However, there is different cognition in feedback-seeking behavior. Hence, the manager should listen to the employees, and provide the feedback-seeking behavior. According to Lam, Huang and Snape (2007) the manager should understand the reason for the member's feedback-seeking behavior. This enables the manager to give feedback. In the performance appraisal, it is also necessary for the employee to inquire about his or her performance. During the important meeting, the manager should propose to discuss together with the employee, carries on the self-criticism on present situation of the present performance system operation and carefully examine whether there is the necessity to carry on the achievements target and revision and adjustment of the system. Because of the unimpeded communication, the manager and employee's enjoy mutual trust and communication which will then promotes the employee's satisfaction with the performance appraisal.

### **7.2.3. Besides Emphasizing The Team Managers and Member's Exchange Relationships, One Must Take Note of The Transparency and Fairness of The Performance Policy Decision Making**

This study emphasizes the performance appraisal process wherein team managers establish good exchange relationships with their members. Such exchange relationship promote satisfaction with performance appraisals (Elicker,



Levy, and Hall, 2006; Korsgaard and Roberson, 1995), but the procedural justice climate still had cross-level direct effect influence upon the performance appraisal satisfaction. The study has the same viewpoint with Levy and Williams (2004) on the emphasis of performance appraisal upon the social context. The team managers should take note of the procedural just climate, to let the members participate in the establishment of goals, and accept feedback methods. This promotes transparency and the employees' sense of fairness. According to the research (Liao and Rupp, 2005), a management training plan will promote fairness. As Mossholder, Bennett and Martin (1998) suggest, top management should incorporate impression management and social viewpoint in training activities, and unify the just behavior and organization's functions. The member's satisfaction with performance appraisals will thereby be promoted.

### **7.3. The Research Limitation and Future Research Suggestions**

#### **7.3.1. Lack of Remarkable Research Findings**

The lack of remarkably cross-level result is a limitation of the study. Although the relationships between the individual-level LMX and the satisfaction with performance appraisals are too intense, this will have different influences upon the relationships between the individual-level LMX and the performance appraisal satisfaction, but to avoid the findings falling into the cultural context-like self-explanation, we namely declare in the research the Western situation where it has the unique influence on the Chinese community. This study also proposes the reasons that limit the findings.

First, the team is too small to constitute the parameter estimation (Maas and Hox, 2004), Second, although the Hierarchical Linear modeling analysis (HLM) may construct the pattern, processing different level variable related influence, but it will not integrate the error within the variable in the measurement. This measuring error creates the instability of measurement which might weaken the statistical result. This was because of the inevitable limitation of measurement research tools. Third, because the samples were retransmitted by the manager, the obtained sample material lacks the extremism which will reduce the interactive effect of the examination power (Erdogan, Liden, and Kraimer, 2006), In this

sample, the manager was chosen to distribute the questionnaires. After carefully examining the analyzed data, it revealed that the manager and the employee's exchange relationships also have the lower average score with the employee's performance appraisal satisfaction, and the population mean score ranged between ordinary to satisfaction (is situated between 3 points to 4 points), Therefore, the variation should not have influenced the findings, thus the third party in the future may replace the step of providing the questionnaires. The other relatively low procedural justice of ICC (2) value, indicates a similarity with the team in the justice climate where the possible reason for sampling object from identical industry, and this industry has the similar characteristic in the achievements inspection procedure (Chatman and Jehn, 1994), Bliese (2000) also thought that the low ICC (2) value is difficult to present the team-level variable result. The HLM measurement has the possibility of causing the cross-level findings of this study to be unremarkable.

### **7.3.2 The Inferential Cause and Effect**

When the impact of the cross timing performance appraisal is considered, the causality of performance appraisal cause and the effect will only then be able to be clearer (Elicker, Levy, and Hall, 2006), therefore, this study in causes and effects inferential is slightly insufficient. During the cross section, this study took earlier period of performance appraisals as the control variable and after removed that on the explanation power to discuss whether the current period of PAS will change. Furthermore, according to the idea of Graen and Uhl-Bien (1995), the meaning of LMX lies in the promotion of exchange relationships which will then promote the employee's attitude and the behavior. Therefore, it is reasonable to discuss the current period of exchange relationships of the team manager and the employee on PAS.

### **7.3.3. The Problems of The Common Method Variation (CMV)**

The measurement of each individual variable is based on the self-report of employees except feedback-seeking behavior. Through of test of CMV (Korsgaard and Roberson, 1995), the result showed the multi-factors (CFI = 0.965;

RMSEA = 0.068) has better fit than the single-factor (CFI = 0.733; RMSEA = 0.252), This study has found that CMV should not have the oversized influence on the findings. This study also referred to Liao and Rupp (2005), by aggregating average individual consciousness to team level, and operated organizational level variable (for example team-level LMX as well as justice climate), to eliminate the possibility of perception inflation due to the reason of the self-report from the employee. According to Keeping and Levy (2000) research, the satisfaction with performance appraisals will not be influenced by positive and negative affection of method of variation. Obviously CMV should not have the influence on the findings which also enhance the credibility of these findings.

## **7.4. Future Research**

### **7.4.1 Use Other Ways to Administrate The Questionnaire**

The study used convenience sampling as research design and contacted the executive to administer the questionnaire. Although it is anonymous, enclosed and filled in an envelope, the administered staff and their executives are highly interactive. It is difficult to get the bigger variation sample because of the sample itself being with a certain degree exchange relationship and performance appraisal satisfaction (PAS), Perhaps the questionnaire can be passed through a third party (such as Human Resource Department of this Company), then it will get a bigger variation sample to avoid social desirability caused by the reason of that members cater to the expectation of the executive because of executive administering the questionnaire.

### **7.4.2. Using Longitudinal Research Design**

This study adopts the way of the cross section research design, and may exert an influence on the inference of the causality of each variable in this study. In this study, identical exchange relationship established by team executive and member will influence justice consciousness that team member shares. Though the inference of the foundation of LMX theoretically is based on exchange relationship behavior among staffs and executives mainly, but it still lacks the evidence of causality. Hence, Liao and Rupp (2005) and Jawahar (2006) also

thought that it is better to adopt the longitudinal research designed, to explore the relationship development of team's executive and member, the impact on staff's working attitude, team's atmosphere on different time phase. Jawahar(2006) adopted this way and used longitudinal research design to process the verification and discussion of causality. Hence, the longitudinal PAS should be considered and probed into thoroughly in the future.

#### **7.4.3. Consider The Team Sample of The Particular Type**

This study regards team as the research object, and the definition of team is referred by George (1990), collect the general job team of the science and technology industry because of its analogizing in order to inference the result to general work team. However, there may exist the difference for the interactive situation of team's executive and member and present performance appraisal depending on whether team style is particularly short-term team (such as short-term project team), Moreover, Kozlowski and Bell (2003) proposed the team-oriented organization that would be an approach for future research.

#### **7.3.4. The Other Measuring Methods Regarding Team**

This study referred Chan (1998)' s sharing core content method which is to aggregate the perception of each individual to team level by calculating indicator rwg (j), The team LMX measured in this study and justice climate, all come from member's personal self- feeling, through social interaction to form collective experience, atmosphere then influence the team. The way is also adopted by Liao and Rupp (2005), and the inference of team's variables of this study, all stem from the individual level expanding to the team level. According to the suggestion regarding multilevel analytical unit of Lin and Peng (2006), there is another method to deal with share unit variable called "referent-shift model" (Chan, 1998) that moves individual reference point to team or organization level. For example, some items of Lin and Peng (2006)' s questionnaire," the employees in an organization who have right to propose suggestion about their management system "then move the reference point to other colleagues' within the organization. Therefore, future studies should be based on theory as a

guideline and adopt different ways to measure variables according to the definitions of variables described within this study.

## 8. Reference

- Anderson, J. C. and Gerbing, D. W. (1988), "Structural Equation Modeling in Practice: A Review and Recommended Two-Step Approach," *Psychological Bulletin*, 103(3), 411-423.
- Ashford, S. J. and Black, J. S. (1996), "Proactivity During Organizational Entry: The Role of Desire for Control," *Journal of Applied Psychology*, 81(2), 199-214.
- Ashford, S. J. and Tsui, A. S. (1991), "Self-regulation for Managerial Effectiveness: The Role of Active Feedback Seeking," *Academy of Management Journal*, 34(2), 251-280.
- Baron, R. M. and Kenny, D. (1986). "The Moderator-Mediator Variable Distinction in Social Psychological Research: Conceptual, Strategic, and Statistical Considerations," *Journal of Personality and Social Psychology*, 51(6), 1173-1182.
- Blau, G. (1999), "Testing the Longitudinal Impact of Work Variables and Performance Appraisal Satisfaction on Subsequent Overall Job Satisfaction," *Human Relations*, 52(8), 1099-1113.
- Bliese, P. D. (2000), "Within-group Agreement, Non-Independence, And Reliability: Implication for Data Aggregation and Analysis. In K. J. Klein and S. W. J. Kozlowski(Eds.)," *Multilevel Theory, Research, and Methods in Organizations* (pp. 249-381), San Francisco, CA: Jossey-Bass.
- Boswell, W. R. and Boudreau, J. W. (2002), "Separating the Developmental and Evaluative Performance Appraisal Use," *Journal of Business and Psychology*, 16(3), 391-412.
- Bowles, M. L. and Coates, G. (1993), "Image and Substance: The Management of Performance as Rhetoric or Reality?" *Personnel Review*, 22(2), 3-21.
- Callister, R. R., Kramer, M. W. and Turban, D. N. (1999), "Feedback seeking

- Following Career Transition,” *Academy of Management Journal*, 42(4), 429-438.
- Cardy, R. L. and Dobbins, G. H. (1994), *Performance Appraisal: Alternative Perspectives*. Cincinnati, OH: Southwestern Publishing.
- Cawley, B. D., Keeping, L. M. and Levy, P. E. (1998), “Participation in the Performance Appraisal Process and Employee Reactions: A Meta-Analytic Review of Field Investigations,” *Journal of Applied Psychology*, 83(4), 615-633.
- Chan, D. (1998), “Functional Relations Among Constructs in the Same Content Domain At Different Levels of Analysis: A Typology of Composition Models,” *Journal of Applied Psychology*, 83(2), 234-246.
- Chatman, J. A. and Jehn, K. A. (1994), “Assessing the Relationship between Industry Characteristics and Organizational Culture: How Different Can You be?” *Academy of Management Journal*, 37(3), 522-553.
- Cogliser, C. C. and Schriesheim, C. A. (2000), “Exploring Work Unit Context and Leader-Member Exchange: A Multi-Level Perspective,” *Journal of Organizational Behavior*, 21(5), 487-511.
- Cohen, S. G. and Bailey, D. E. (1997), “What Makes Teams Work: Group Effectiveness Research From the Shop Floor to the Executive Suite,” *Journal of Management*, 23(3), 239-290.
- Colquitt, J. A. (2004), “Does the Justice of the One Interact With the Justice of the Many? Reactions to Procedural Justice in Teams,” *Journal of Applied Psychology*, 89(4), 633-646.
- Deluga, R. G. (1994), “Supervisor Trust Building, Leader-Member Exchange and Organizational Citizenship Behavior,” *Journal of Occupational and Organizational Psychology*, 67(4), 315-326.
- Dirks, K. T. and Ferrin, D. L. (2001), “The Role of Trust in Organizational Settings,” *Organization Science*, 12(4), 450-467.
- Dobbins, G. H., Cardy, R. L. and Platz-Vieno, S. J. (1990), “A contingency Approach to appraisal satisfaction: An Initial Investigation of the Joint Effects of Organizational Variables and Appraisal Characteristics,” *Journal of Management*, 16(3), 619-632.

- Elicker, J. D., Levy, P. E. and Hall, R. J. (2006), "The Role of Leader-Member Exchange in the Performance Appraisal Process," *Journal of Management*, 32(4), 531-551.
- Erdogan, B., Liden, R. C. and Kraimer, M. L. (2006), "Justice and Leader-Member Exchange: The Moderating Role of Organizational Culture," *Academy of Management Journal*, 49(2), 395-406.
- Fairhurst, G. T. (1993), "The Leader-Member Exchange Patterns of Women Leaders in Industry: A Discourse Analysis," *Communication Monograph*, 60(4), 321-351.
- Fletcher, C. (1993), "Appraisal: An Idea Whose Time Has Gone?" *Personnel Management*, 23(1), 34-37.
- Ford, L. R. and Seers, A. (2006), "Relational Leadership and Team Climate: Pitting Differentiation Versus Agreement," *Leadership Quarterly*, 17(3), 258-270.
- George, J. M. (1990), "Personality, Affect, and Behavior in Groups," *Journal of Applied Psychology*, 75(2), 107-116.
- Giles, W. F. and Mossholder, K. W. (1990), "Employee Reactions to Contextual and Session Components of Performance Appraisal," *Journal of Applied Psychology*, 75(4), 371-377.
- Gilson, L. L. and Shalley, C. E. (2004), "A little Creativity Goes A Long Way: An Examination of Team's Engagement in Creating Processes," *Journal of Management*, 30(4), 453-470.
- Graen, G. B. and Uhl-Bien, M. (1991), "The Transformation of Professionals into Self-Managing and Partially Self-Designing Contribution: Towards A Theory of Leader-Making," *Journal of Management Systems*, 3(3), 49-54.
- Graen, G. B. and Uhl-Bien, M. (1995), "Relationship-Based Approach to Leadership: Development of Leader-Member Exchange (LMX) theory of Leadership over 25 Years: Applying A Multi-Level Multi-Domain Perspective," *Leadership Quarterly*, 6(2), 219-247.
- Hackman, J. R. (1992), "Group Influence on Individuals in Organizations," In M. D. Dunnette, and L. M. Hough (Eds.), *Handbook of Industrial Organizational Psychology* (pp. 199-267), Palo Alto, CA: Consulting

Psychologists Press.

- Hofmann, D. A. (1997), "An Overview of the Logic and Rationale of Hierarchical Linear Models," *Journal of Management*, 23(6), 723-744.
- Hofmann, D. A. and Gavin, M. B. (1998), "Centering Decisions in Hierarchical Linear Models: Implications for Research in Organizations," *Journal of Management*, 24(5), 623-641.
- Howell, J. P., Dorfman, P. W. and Kerr, S. (1996), "Moderator Variable in Leadership Research," *Academy of Management Review*, 11(1), 88-102.
- James, L. R. (1982), "Aggregation Bias in Estimates of Perceptual Agreement," *Journal of Applied Psychology*, 67(2), 219-229.
- Jawahar, I. M. (2006), "Correlates of Satisfaction with Performance Appraisal Feedback," *Journal of Labor Research*, 11(2), 213-236.
- Keeping, L. M. and Levy, P. E. (2000), "Performance Appraisal Reactions: Measurement, Modeling, and Method Bias," *Journal of Applied Psychology*, 85(5), 708-723.
- Kim, T., Cable, D. and Kim, S. (2005), "Socialization Tactics, Employee Proactivity, and Person-Organization Fit," *Journal of Applied Psychology*, 90(2), 232-241.
- Kirkman, B. L. and Rosen, B. (1999), "Beyond Self-Management: Antecedents and Consequences of Team Empowerment," *Academy of Management Journal*, 42(1), 58-74.
- Konovsky, M. (2000), "Understanding Procedural Justice and Its Impact on Business Organizations," *Journal of Management*, 26(3), 489-511.
- Korsgaard, M. A. and Roberson, L. (1995), "Procedural Justice in Performance Evaluation: The Role of Instrumental and Non-Instrumental Voice in Performance Appraisal Decisions," *Journal of Management*, 21(4), 657-669.
- Kozlowski, S. W. J. and Bell, B. S. (2003), "Work Groups and Teams in Organizations," In W. C. Borman, and D. R. Ilgen (Eds.), *Handbook of Psychology: Industrial and organizational Psychology* (pp. 333-375), New York, NY: John Wiley.



- Kuvaas, B. (2006), "Performance Appraisal Satisfaction and Employee Outcomes: Mediating and Moderating Roles of Work Motivation," *International Journal of Human Resource Management*, 17(3), 504-522.
- Lam, W., Huang, X. and Snape, E. (2007), "Feedback-Seeking Behavior and Leader-Member Exchange: Do Supervisor-Attributed Motives Matter?" *Academy of Management Journal*, 50(2), 348-363.
- Levy, P. E. and Williams, J. R. (2004), "The Social Context of Performance Appraisal: A Review and Framework for the Future," *Journal of Management*, 30(6), 881-905.
- Liao, H. and Chuang, A. (2007), "Transforming Service Employees and Climate: A Multilevel, Multisource Examination of Transformational Leadership in Building Long-Term Service Relationship," *Journal of Applied Psychology*, 97(4), 1006-1019.
- Liao, H. and Rupp, D. E. (2005), "The Impact of Justice Climate and Justice Orientation on Work Outcomes: A Cross-Level Multifoci Framework," *Journal of Applied Psychology*, 90(2), 242-256.
- Liden, R. C., Wayne, S. J. and Stilwell, D. (1993), "A Longitudinal Study on the Early Development of Leader-Member Exchange," *Journal of Applied Psychology*, 78(2), 662-674.
- Lin, C. C., and Peng, T. K. (2006), "Multilevel Research in Management: Conceptual, Theoretical, and Methodological Issues in Level of Analysis," *Journal of Management*, 23(6), 649-675.(Chinese)
- Maas, C. J. M. and Hox, J. J. (2004), "The Influence of Violations of Assumptions on Multilevel Parameters and Their Standard Errors," *Computational Statistics and Data Analysis*, 46(3), 427-440.
- Meyer, H. H. (1991), "A Solution to the Performance Appraisal Feedback Enigma," *Academy of Management Executive*, 5(1), 68-76.
- Morrison, E. W. (1993), "Newcomer Information seeking: Exploring types, Modes," Sources, and Outcomes. *Academy of Management Journal*, 36(3), 557-589.
- Mossholder, K. W., Bennett, N. and Martin, C. L. (1998), "A Multilevel Analysis of Procedural Justice Context," *Journal of Organizational Behavior*, 19(2),

131-141.

- Murphy, K. R. and Cleveland, J. N. (1995), *Understanding Performance Appraisal: Social, Organizational and Goal-Based Perspectives*. Thousand Oaks, CA: Sage.
- Nachman, S., Dansereau, F. and Naughton, T. J. (1983), "Negotiating Latitude: A Within- and Between-Groups Analysis of a Key Construct in Vertical Dyad Linkage Theory of Leadership," *Psychological Reports*, 53(1), 171-177.
- Naumann, S. E. and Bennett, N. (2000), "A Case for Procedural Justice Climate: Development and Test of a Multilevel Model." *Academy of Management Journal*, 43(5), 881-889.
- O'Reilly, C. A. (1977), "Supervisors and Peers as Information Sources, Group Supportiveness and Individual Decision-Making Performance," *Journal of Applied Psychology*, 62(5), 632-635.
- Ostroff, C. and Schmitt, N. (1993), "Configuration of Organizational Effectiveness and Efficiency," *Academy of Management Journal*, 36(6), 1345-1361.
- Patton, F. (1999), "Oops, the Future Is Past and We Almost Missed It! -Integrating Quality and Behavioral Management Methodologies," *Journal of Workplace Learning*, 11(7), 266-277.
- Peng, T.K., Lin, C.C. and Kao, Y. T. (2006), "Common Method Variance in Management Research: Its Nature, Effects, Detection, and Remedies," *Journal of Management*, 23(1), 77-98.(Chinese)
- Pettijohn, C. E., Pettijohn, L. S. and d'Amico, M. (2001), "Characteristics of Performance Appraisals and Their Impact on Sales Force Satisfaction," *Human Resource Development Quarterly*, 12(2), 127-146.
- Podsakoff, P. M. and MacKenzie, S. B. (1995), "An examination of Substitutes for Leadership within a Levels-Of-Analysis Framework," *Leadership Quarterly*, 6(3), 289-328.
- Poon, J. M. L. (2004), "Effects of Performance Appraisal Politics on Job Satisfaction and Turnover Intention," *Personnel Review*, 33(3), 322-334.
- Prahalad, C. K. and Hamel, G. (1990) "The Core Competencies of the Corporation," *Harvard Business Review* 8(3), 79-91.

- Raines-Eudy, R. (2000), "Using Structural Equation Modeling To Test for Differential Reliability and Validity: An Empirical Demonstration," *Structural Equation Modeling*, 7(1), 124-141.
- Renn, R. W. and Fedor, D. B. (2001), "Development and Field Test of A Feedback Seeking, Self-Efficacy, and Goal Setting Model of Work Performance," *Journal of Management*, 27(5), 563-583.
- Schneider, B., White, S. S. and Paul, M. C. (1998), "Linking Service Climate and Customer Perceptions of Service Quality: Test of A Causal Model," *Journal of Applied Psychology*, 83(3), 150-163.
- Schriesheim, C. A., Neider, L. L. and Scandura, T. A. (1998), "Delegation and Leader-Member Exchange: Main Effects, Moderators, and Measurement Issues," *Academy of Management Journal*, 41(3), 298-318.
- Schyns, B. (2006), "Are Group Consensus in Leader-Member-Exchange (LMX) and Shared Work Values Related to Organizational Outcomes?" *Small Group Research*, 37(1), 20-35.
- VandeWalle, D., Ganesan, S., Challagalla, G. N. and Brown, S. P. (2000), "An Integrated Model of Feedback-Seeking Behavior: Disposition, Context, and Cognition," *Journal of Applied Psychology*, 85(6), 996-1003.
- Wang, H., Law, K. S., Hackett, R. D., Wang, D. and Chen, Z. X. (2005), "Leader-Member Exchange as A mediator of the Relationship between Transformational Leadership and Followers' Performance and Organizational Citizenship Behavior," *Academy of Management Journal*, 48(3), 420-432.
- Yammarino, F. J. and Bass, B. M. (1991), "Person and Situation Views of Leadership: A Multiple Levels of Analysis Approach," *Leadership Quarterly*, 2(2), 121-139.
- Yukl, G. and Fu, P. P. (1999), "Determinants of Delegation and Consultation by Managers," *Journal of Organizational Behavior*, 20(2), 219-232.