

Performance Appraisal Effectiveness in Modern Organisations: A Systematic Review of Outcomes, Moderators, and Contextual Factors

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Abstract

This paper presents a systematic literature review of Performance appraisal systems and their effects on employee outcomes based on 30 published articles of empirical research available between the years 2000 to 2025. The review focuses on how PA systems affect job satisfaction, job motivation, organisational commitment, performance, as well as turnover intentions. By using the PRISMA guideline, selection and screening of articles were done, and the selected articles were analysed thematically and bibliometrically to capture the methodological nature, the themes, and the gaps in the research area. The findings have shown that there has been a transition in the PA practices from conventional approaches that are more summed up as evaluation models that are more developmental, participatory, and enabled by technology. Much prior research also shows that perceived fairness of an appraisal system, its clarity, and focus on developing employees are linked to positive outcomes. The relationships between these effects and the outcomes are further moderated by organization culture, national norms, and personal attributes. Organisational culture, National context, and individual characteristics. This review benefits scholars and organisations in PA system design by presenting recommendations backed by a literature review. It also points out areas that are understudied and suggests that scholars conduct more research with recognition of technologically, culturally, and structurally diverse performance management systems.

Keywords: Systematic Literature Review, Job Satisfaction, Motivation, Organisational Commitment, Performance Appraisal (PA) Systems

Introduction

In today's context, there has been a significant change in the methods of performance appraisal systems, and in recent years, they have gone away from the traditional fixed annual performance appraisals. Such evolution is based on the fact that consistent and constructive feedback enhances the motivated workforce. Thus, effective PA systems are essential when

it comes to goal alignment of the organisation's objectives and guaranteed subordinates' accountability.

Background of the Study

The present-day trends highlight that the PA system must have a balanced hierarchy and structure to encourage its usage by employees. For instance, Shawn (2023) states that aspects such as quality of feedback, staff clarity, and alignment with goals are some of the elements that boost engagement through performance appraisals. As noted by Theng, the well-established PA system can have a positive impact on motivation and is built on the reward for achievements and goals that are consistent with organisational goals.

In addition, the authors Karim et al. (2024) proposed a model showing how performance appraisals affect the behaviours and intentions of employees and how psychological empowerment, and organisational commitment play a vital role in this regard. It is also evident that technology, especially AI, is altering traditional approaches to how performance appraisal is conducted. Adoption of AI in the evaluation process is making these assessments more objective and less coloured by bias compared to the human approach. For example, using artificial intelligence for reviews is helpful in relating accomplishment statements and goal consistency in the organisation; it addresses a lapse that is well known in manual reviews, the subjectivity and recency bias. While this technology enhances overall fairness and distinctive insights in the reviews, it also helps ensure the assessment is based on evidence rather than prejudice (Manjunath & Dean, 2024).

However, there is a need to align performance appraisals with the organisational goals if organisations are to achieve the desired growth and success in the future. The bigger picture helps employees focus on the company's objectives and goals, which enables them to create more work engagement, therefore increasing productivity and motivation (Opoku et al., 2024). Ongoing and especially clear documentation of performance enhances the morale of employees. For instance, when it was implemented, it enhanced team spirit and reduced the turnover rate (Adriano, 2023).

Summing up, the changes described in regard to performance appraisal indicate a general progression away from a more systemised, encompassing and strategic approach to HRM. Thus, with the help of continuous feedback, the inclusion of technological tools in the operation of PA systems and aligning individual performance with organisational goals, the current PA systems are in a better position to raise the motivation and satisfaction levels of the employees as well as the overall effectiveness of the organisation.

Rationale

Although much has been written about PA systems with emphasis placed on their value in the organisation, it is clear that much more analysis is required on the nature of inter-relationships between the various types of PA systems and employees' outcomes. Whereas few studies have focused on the direct relationship of PA on the specific predictor variables and outcome variables, such as employee motivation and job satisfaction, there is little evidence of moderator variables that moderate these relationships. For instance, Hassan et al. (2022) considers the use of perceived control as a moderator for the link between performance appraisal and job satisfaction, thus explaining how individual characterisations

can influence the application of PA systems on organisational performance. Furthermore, Ambilichu et al. (2024) discuss the impact of the performance appraisal process on the level of commitment of employees with an emphasis on the moderating influence of appraisal results and incentives. Similarly, Memon et al. (2019) point out the moderating role of work engagement in the relationship between the performance appraisal satisfaction and turnover intention, showing that these relations are not simple.

Research Questions

To address the identified gaps and build upon existing literature, this systematic literature review aims to explore the following research questions:

1. What is the relationship between performance appraisal systems and employee outcomes (including but not limited to motivation, job satisfaction, organisational commitment, performance, and turnover intentions)?
2. What features or characteristics of performance appraisal systems are associated with positive employee outcomes?
3. What contextual factors (organisational, cultural, individual) moderate the relationship between performance appraisal systems and employee outcomes?
4. How have these relationships evolved in the literature over time?

Literature Review

Performance appraisal (PA) systems have been the focus of considerable research in relation to employee outcomes such as job satisfaction, motivation, organisational commitment, and turnover. Earlier studies often treated PA as an administrative mechanism, but more recent literature emphasises developmental and participatory approaches. This shift highlights the role of fairness, transparency, and employee involvement in achieving positive outcomes.

Employee Outcomes and PA Systems

Most studies report a positive relationship between PA systems and employee attitudes. Job satisfaction, in particular, has been widely studied, with evidence showing that structured and recurrent appraisals improve recognition and fulfilment (Kampkötter, 2017; Shawn, 2023). Motivation is also enhanced when appraisals are clear, fair, and oriented toward employee development (Hamidi, 2023; Akinbowale et al., 2014). Furthermore, effective appraisal processes are associated with stronger organisational commitment (Hassan et al., 2022; Su & Baird, 2017) and reduced turnover intentions (Agyare et al., 2016; Mphahlele & Dachapalli, 2022). Conversely, biased or unclear systems can increase dissatisfaction and encourage employees to leave.

Characteristics of Effective PA Systems

The literature consistently highlights developmental orientation as a key feature of effective appraisal systems. When PA is designed to support growth, learning, and feedback, it produces better outcomes than when used solely for evaluation (Agyare et al., 2016; Yamazaki & Yoon, 2016). Employee involvement in goal setting and feedback processes also improves trust and organisational identification (Al-Baidhani & Alsaqqaf, 2022a). The frequency and timeliness of feedback are equally important—continuous or periodic feedback proves more effective than annual reviews (Taneja et al., 2023; Shawn, 2023). Recent studies also note the role of digital and AI-supported appraisal tools in improving

transparency and providing real-time feedback, although concerns about data privacy remain (Dorta-Afonso et al., 2021; Palaiologos et al., 2011).

Contextual Moderators

The effectiveness of PA systems depends heavily on organisational, cultural, and individual factors. Flat-structured and innovative organisations tend to support participatory PA practices more effectively than hierarchical ones (Kalogiannidis et al., 2025). Cultural context also matters: in collectivist societies, appraisal processes often emphasise social order and harmony, whereas individualist cultures may value openness and challenge (Al-Baidhani & Alsaqqaf, 2022b). Individual attributes such as personality and age further shape responses to appraisal— younger employees, for example, are more receptive to technology-based systems (Kampkötter, 2017).

Evolution of PA Research

Over time, the literature shows a transition from administrative, mechanistic approaches toward developmental and technologically enabled systems. Studies prior to 2010 focused mainly on annual reviews, while research from 2011 onward emphasised feedback, fairness, and employee voice (Daoanis, 2012; Su & Baird, 2017). The most recent body of work (2019–2025) reflects the growing influence of AI, digital dashboards, and real-time appraisal processes, marking a shift toward agility and continuous improvement (Palaiologos et al., 2011; Singh & Mohanty, 2011).

Overall, the literature suggests that effective PA systems are those that are fair, transparent, participative, and development oriented. These systems contribute positively to job satisfaction, motivation, and commitment, while reducing turnover intentions. However, their effectiveness is moderated by organisational structures, cultural norms, and employee characteristics, indicating the need for context-sensitive approaches in future research.

Methodology

This research employed a Systematic Literature Review (SLR) to review the literature on the effectiveness of PA systems in the current organisations, specifically on employee outcomes, characteristics of the system, contextual variables, and time factors. This way of organising and approaching the process makes it rather transparent, easily reproducible and allows for a more comprehensive outline and identification of relevant literature (Cabrera & Cabrera, 2023).

Review Protocol and Framework

PRISMA (Preferred Reporting Items for Systematic Reviews and Meta-Analyses) was used while conducting the review to systematically identify, screen and determine eligibility of studies to be included in the review (Moher et al., 2015). The guidelines set were the right research questions, inclusion and exclusion criteria, a proper systematic search approach, and the correct methods in the analysis of results.

Inclusion-Exclusion Criteria

Table 1

The Inclusion-Exclusion Criteria

Inclusion Criteria	Exclusion Criteria
Empirical Studies (Quantitative, Qualitative, Or Mixed Methods)	Opinion papers, editorials, and book reviews
Peer-reviewed Journal Articles Published In English	Studies focused solely on performance appraisal design without examination of employee outcomes
Studies That Examine The Relationship Between Any Form Of Performance Appraisal And At Least One Employee Outcome	Studies that do not provide sufficient methodological details
Studies Published Between 2000 And 2025	Conference abstracts without full papers
Studies That Include Clear Descriptions Of The Performance Appraisal Methods Studied	

Data Sources and Search Strategy

The following 5 electronic databases were used to perform a comprehensive literature search:

1. Web of Science
2. Scopus
3. PsycINFO
4. Business Source Complete
5. ABI/INFORM Global

The search was conducted using Boolean operators and keyword combinations, including:

Table 2

The research terms and Boolean operators

("Performance Appraisal" Or "Performance Evaluation" Or "Performance Assessment" Or "Performance Review" Or "Performance Rating" Or "Performance Feedback" Or "Performance Management System")
And
("Job Performance" Or "Work Performance" Or "Employee Performance" Or "Task Performance" Or "Performance Improvement" Or "Productivity" Or "Performance Outcome" Or "Performance Gain")
("Performance Appraisal" Or "Performance Evaluation" Or "Annual Review" Or "360-degree Feedback" Or "Management By Objective" Or "Competency Assessment" Or "Appraisal Interview")
And
("Objective Performance" Or "Performance Metric" Or "Key Performance Indicator" Or "Performance Standard" Or "Goal Achievement" Or "Quantitative Performance" Or "Performance Measurement" Or "Performance Output")
("Performance Feedback" Or "Appraisal Interview" Or "Performance Dialogue" Or "Performance Discussion" Or "Performance Coaching" Or "Developmental Feedback" Or "Performance Conversation")
And
("Performance Improvement" Or "Performance Enhancement" Or "Performance Development" Or "Skill Development" Or "Performance Growth" Or "Performance Change" Or "Performance Trajectory")
("Performance Rating" Or "Performance Score" Or "Performance Evaluation Method" Or "Rating Scale" Or "Forced Distribution" Or "Forced Ranking" Or "Performance Assessment Tool" Or "Performance Measurement System")
And
("Performance Outcome" Or "Performance Effectiveness" Or "Performance Efficiency" Or "Work Quality" Or "Work Output" Or "Performance Result" Or "Productivity" Or "Job Success")
And
("Empirical" Or "Evidence" Or "Study" Or "Research" Or "Analysis")

Study Selection Process

Initial Identification of Records

A comprehensive search was conducted across Web of Science, Scopus, PsycINFO, Business Source Complete, and ABI/INFORM Global.

Using advanced keywords and Boolean operators search was performed. A total of 1,000 records were identified. There are several constraints that have been put in place in order to ensure the selection of the articles is relevant; these include: Selecting articles with the peer review only, those in the database between the years 2000 to 2025, and English only.

Removal of Duplicates

In this present study, EndNote and manual searches for duplicates were done, and 185 articles were excluded. A total of 815 articles were left for the title and abstract screening stage.

Title and Abstract Screening

The titles and abstracts screening of the 815 articles was also performed by two reviewers. The articles did not focus on the performance appraisal or the performance evaluation systems, did not assess employee-level outcomes, were not relevant to contemporary organisations, not written in English. Therefore, 640 articles were removed at this stage, and 175 brought to full textual consideration.

Full-Text Screening

The full-text versions of the 175 shortlisted articles were obtained and checked for relevance according to the following criteria again: Peer-reviewed research, published between 2000 and 2024, discussing performance appraisal systems, and Inclusion of contextual moderators (organisational, cultural, or individual). After the elimination of articles which not fulfil the inclusion criteria also which are not fully accessible, 145 articles were removed based on the following reasons:

- Irrelevant focus or lack of appraisal system analysis (n = 61)
- Absence of outcome-related variables (n = 43)
- Not fully accessible (n = 26)
- Non-empirical nature (n = 15)

This made the search narrow its findings to 30 articles that would be suitable for final inclusion in the review. The whole screening process is shown in **Figure 1**, next page.

Reference List Screening

In addition, further studies were searched manually by using the reference lists of the 30 articles selected for the systematic review. However, none of the articles retrieved during this backwards citation tracking procedure met the eligibility criteria of the present study.

Reviewer Agreement and Dispute Resolution

This process of screening and inclusion was performed by two reviewers at all steps of the process. That is, the inter-rater reliability was 89 % for the phase of abstract screening and 93% for the full-text screening phase. All the differences, therefore, arising were discussed in meetings in order to reach consensus. In cases of a split decision, the issue was resolved by a third reviewer.

Data Extraction and Synthesis

Popay et al. (2006) Narrative synthesis was used in conducting the data synthesis because it enables the synthesis of different types of studies regardless of the methodology or context. The responses obtained for the study were arranged to address the four research questions, then compared to reveal similarities, disparities, and unknown areas.

Data were extracted using an Excel sheet. Key information was extracted from the articles.

1. Authors and publication year
2. Country
3. Research design
4. Methodology
5. Different Types and characteristics of the PA system
6. Employee outcomes
7. Moderators (if any)
8. Key findings
9. Implications

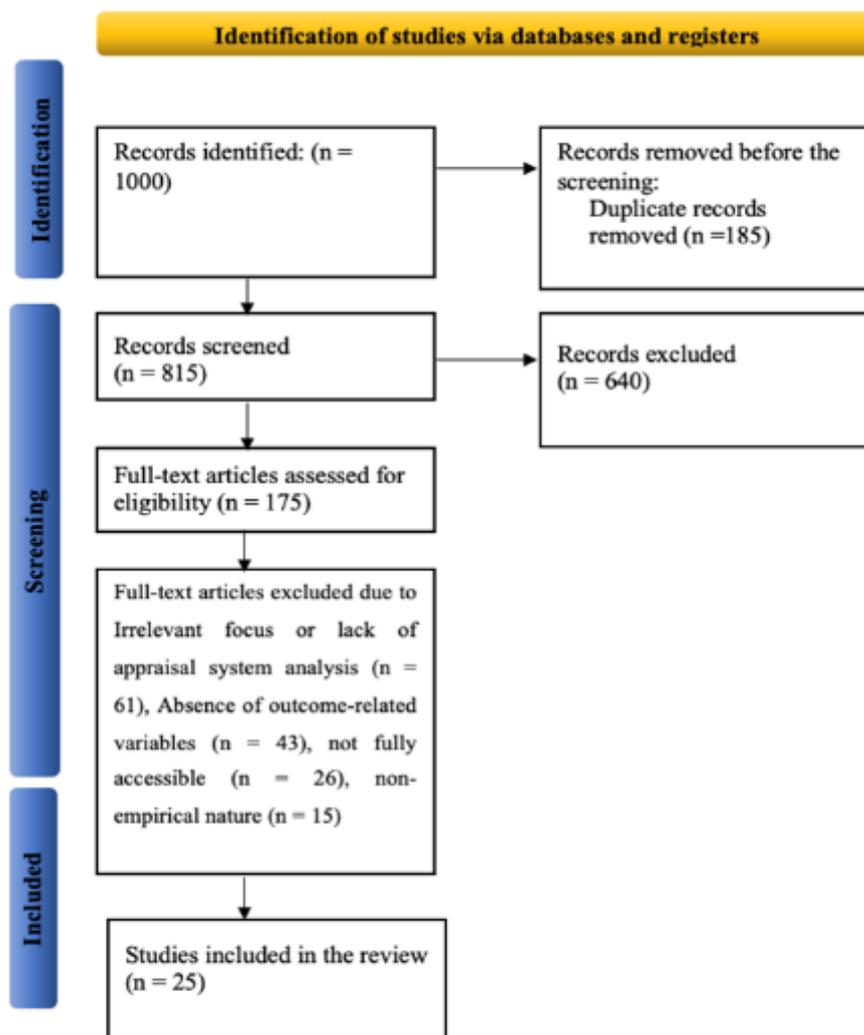


Figure 1: The Prisma Flow Diagram

Results and Discussion

Descriptive Analysis

Trend of Publications Over Time

The line plot (**Figure 2**) of the trend of publications over time is underpinned not just by a random academic publication or production but as a result of a purposeful sample in line with the research objectives of the study. All these 30 articles were selected with an intention to understand the impact, perceptions and results of PA systems in various contexts. Despite the fact that it is possible to observe a number of publications growing during the period after 2020, this feature should be evaluated as indicative of the publications' output upswing in recent years rather than the number of studies conducted in the given field for all the years. This might be explained by the fact that the publication activity increases in 2021, 2022, and 2023, which can be attributed to the development of the modern workplace, such as, the growing popularity of remote work, use of information technology in HR management, and the focus on employee health and satisfaction after the pandemic. Thus, old articles from 2006, 2008, and the early 2010s were used to complement the obtained results and to achieve a diverse temporal perspective. Most of those presented here assist in revealing the transformation of PA systems from the conventional assessment models towards more integrated and technology-enhanced processes.

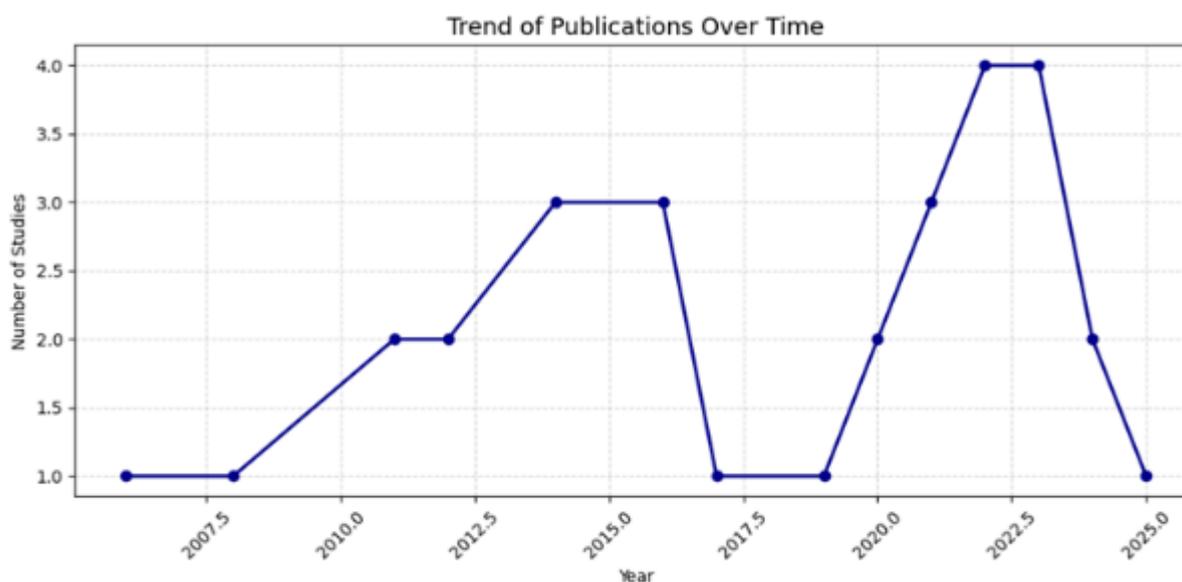


Figure 2: Year-wise Publication of Articles

Study Design Distribution

The doughnut chart (**Figure 3**) below, categorises and illustrates the amount of methodological diversity chosen in the 30 articles. Quantitative research is more predominant because of the focus placed on using measurable results regarding the effectiveness of performance appraisal systems and their performance. The second-largest group is qualitative research that offers insights into the employees' attitudes and the environment within the organisation. However, mixed-methods research occurs less often, but it is much more effective as it utilises both statistical and narrative data. This means that the actual option for future research needs to look at methodologies that are more closely linked together. Figure 3 reveals a quantitatively focused field that can benefit from further qualitative or mixed methods investigation.

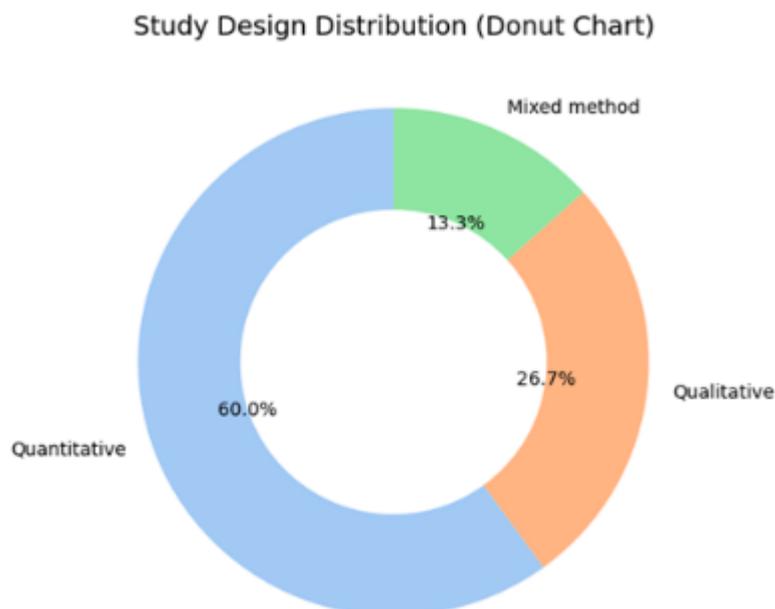


Figure 3: The Distribution of Study Design

Proportional Country Representation

In the following treemap (**Figure 4**), the selected studies on performance appraisal systems are categorised according to the countries that were considered in the research. The identity of countries shown above also reveals that the most focused countries are India, Pakistan, and Greece. This may be due to the difficulties in practising human resource management in a certain geographical area, or simply a difference in scholarly concentration on organisations. Some entries contain two or more countries (for example, “Pakistan, Iran, Kenya, Nigeria”), which may point to cross-country studies which always provide a deeper understanding of cross-cultural performance appraisals. The presence of European countries like Spain, Germany, and Norway is also visible, though less often, which proves that the topic is international, but the investigation is conducted rather unevenly.

Some of them are indicated as ‘N/A’, or some are conducted in an unstipulated region, which means there is no clear geographical context defined. These may have been conceptual studies or done in multinational contexts where the exact locations were not identified. The textbox labelled “N/A” painted yellow evidence this break and highlights the necessity of geographic openness. Also on the list are Malaysia and Yemen; it perhaps just indicates the growing interest in the technology from Southeast Asia and the Middle East. The stylised layering of the treemap helps to notice where emphasis should be placed for the presence of more diversified geographic coverage. It is particularly important in the context of revealing and explaining how various cultural, political and economic factors construct and determine the performance of performance appraisal systems. Moreover, the geographical distribution of the research field reflects the current state of the studies and shows regions that have not been explored enough and could be addressed by the subsequent investigations.



Figure 4: Country-Wise Distribution of the Studies

Sector/Industry Distribution

The sunburst chart (**Figure 5**) shows the number of studies analysed according to the sector and industry of the reviewed studies, indicating the main contexts in which performance appraisal systems are discussed. The largest share goes to the public sector, which is known to push for accountability and efficiency, while the healthcare, telecommunications and educational sectors can also be seen to require a well-defined form of evaluation. The areas of the private sector include IT, manufacturing, finance and hospitality, all of which means that performance appraisals can be applied widely. Nevertheless, there are some entries which are marked as “N/A” due to the lack of clear information regarding the sector distribution. The concentric layers convey concepts of the hierarchy of appraisal and why there is a necessity for diverse organisations to have different practices of appraisal.

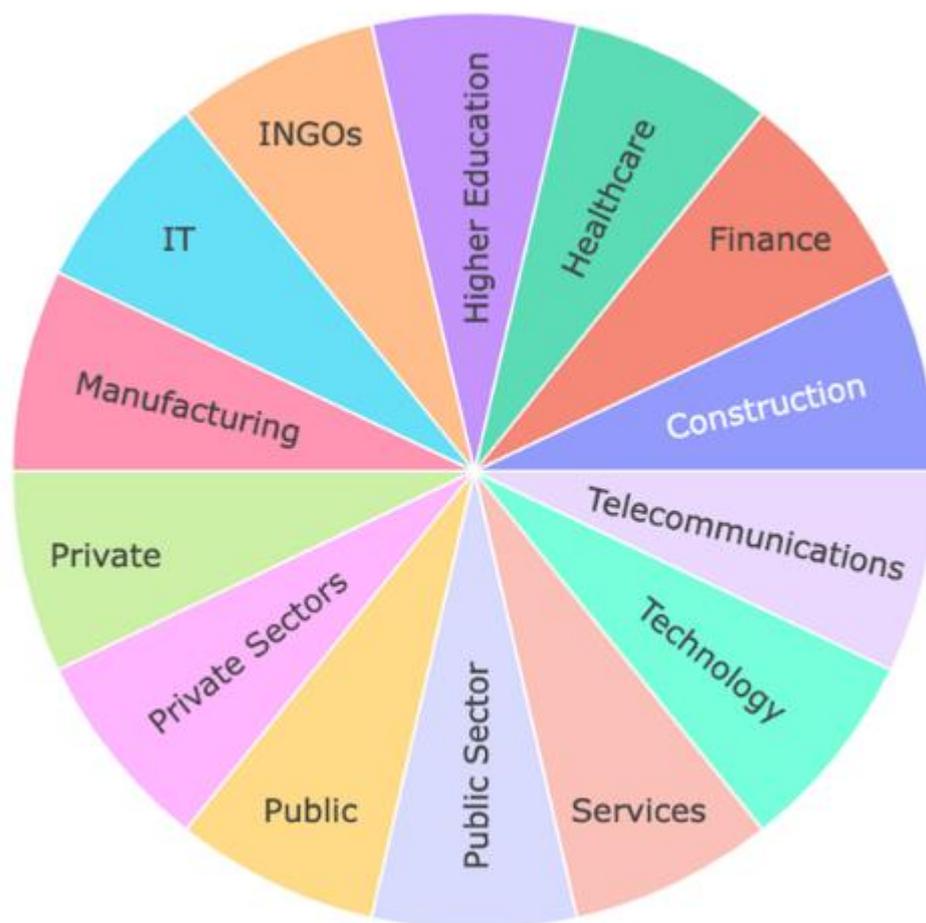


Figure 5: Sector-Wise Distribution of the Studies

Bibliometric analysis using VOSviewer analysis:

Co-Authorship Analysis

The co-authorship analysis (**Figure 6**) of the selected 30 studies provides interesting information about the patterns of collaboration in the performance appraisal systems research field. These articles were written by 72 authors in total, of which 7 items meaning studies met the criteria of co-authorship mapping: that means that a significant number of articles were written either by a single author or in cooperation with other teams that have no authors in common. These seven items belonged to one cluster, which means that a bright collaborative network in this field involves only a number of contacts. This single cluster includes the scholars who have published within multiple studies or have cooperative patterns in their production. This depicts the overall co-productivity of these authors and the extent of their cooperation, as expressed by the total value of 21, assigned to the link strength.

This presents an opportunity for more integrated and interdisciplinary collaborations, particularly across geographic and sectoral boundaries. Strengthening co-authorship ties could enhance the depth and diversity of research outputs, encourage the sharing of best practices, and promote a more unified body of knowledge. This opens up a possibility of increased interconnectedness and multidisciplinary efforts, especially across geographical

and sectoral cleavages. Pooling their efforts with more co-authors can lead to enriching the specifics of the research topics, improving the quality of the work done, and developing a harmony of the knowledge base.

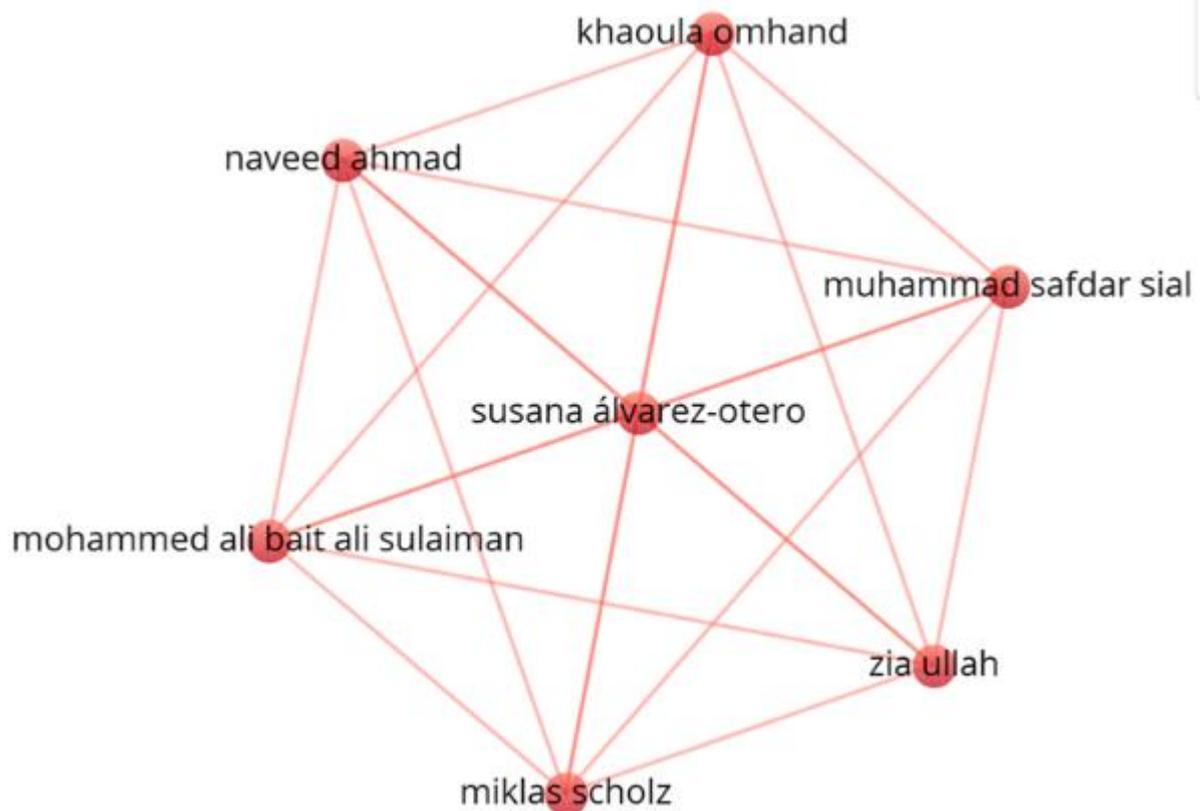


Figure 6: Co-authorship Analysis

Bibliographic Coupling – Source (Journals)

The analysis of bibliographic coupling (**Figure 7**) according to the sources shows that 28 journals are involved in the selected research studies. It must be noted that each of these journals is a separate cluster, so there is little shared use of sources, which makes it possible to state that there is an increased interdisciplinary interest in the topic of performance appraisal. From the articles, IBS Journal of Management and Research and Sustainability were prominent and provided two of the articles. Each of the remaining journals contained only one article relevant to the current study, indicating its scope across different academic disciplines. This is an indication that the performance appraisal topic is common in management, public administration, education, and organisational psychology. However, this dispersion also means the presence of opportunities for the identification of the consolidated, concentrated publication with core aims and goals set for the focused and more sophisticated discussion of the field.



Figure 7: Bibliographic Coupling of Journals

Term Co-occurrence Analysis – Title and Abstract

Co-occurrence analysis (**Figure 8**) of the titles and abstracts helps identify the main themes within the selected studies. In all, the 20 terms formed four clusters, which were linked by 169 links whose total strength was 5833, showing that the concepts were coherently related. High-frequency keywords present in this research are 'study' (65), 'employee' (63), 'job satisfaction' (56), and 'performance appraisal' (52), which define the main topic of the research, evaluating the impact of performance appraisals on employee outcomes. Other terms such as motivation, fairness, perception, and transparency indicate a shift towards emergent or social aspects of the appraisal system, especially on the employees' side and the credibility of the process. Most significantly, the degree of relevance of the identified keywords is rather high, meaning that the topics under discussion can be regarded as focused on certain spheres, such as nursing and the process of performance appraisal. These terms are clustered up showing the connection between employee perception, organisational effect, other forms of appraisal systems, and applicability of the systems in special sectors. Lastly, this discussion shows that the conclusion reflects the richness of the performance appraisal research in terms of outcome measures and the focus on the fairness of its application.

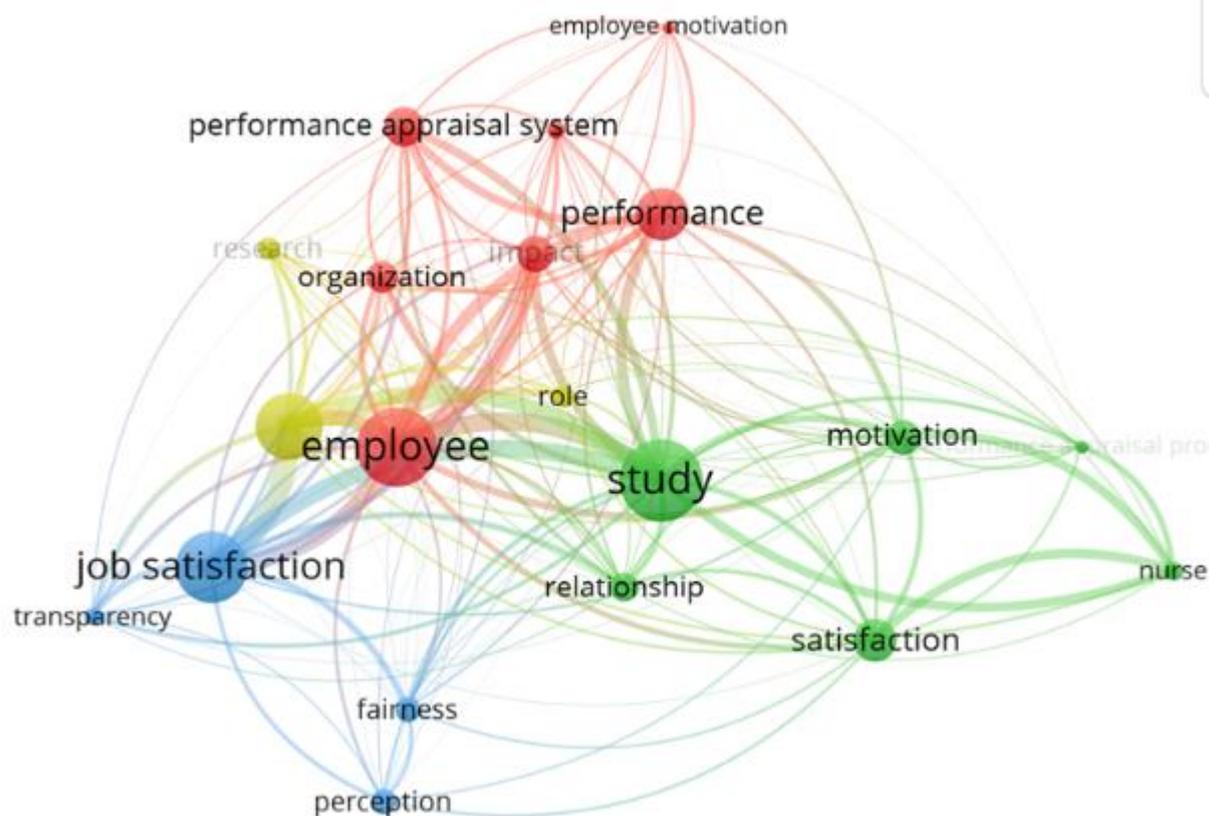


Figure 8: Term Co-occurrence Analysis

RQ1: What is the relationship between performance appraisal systems and employee outcomes (including but not limited to motivation, job satisfaction, organisational commitment, performance, and turnover intentions)?

In the 30 studies, the overall sentiment was positive for the impact of PA systems on their participants, as 27 of the articles established direct or indirect influence on improved employee behaviour and attitude. Job satisfaction was highlighted in 22 papers as an outcome, and for this type of outcome, most often a positive relationship was found, for example (Dangol, 2021; Dorta-Afonso et al., 2021; Kampkötter, 2017; Mohamed Aly & El-Shanawany, 2016; Mohan & Vasumathi, 2024; Shawn, 2023; Singh & Mohanty, 2011). For instance, Kampkötter (2017) established that recurrent and more structured systems of appraisal increase employment satisfaction and recognition, while Shawn (2023) found that continuous feedback improves a sense of achievement and fulfilment among employees. Motivation emerged as another area of study in different papers (Akinbowale et al., 2014; Hamidi, 2023; Teh et al., 2012; Ullah et al., 2021; Wenzel et al., 2017), which evidenced growth where appraisals were developmental and included goal-setting features. According to Hamidi (2023), it can be noted that clear and fair assessment has enhanced the energy level and motivation of the employees.

Two other commonalities that were discussed were organisational commitment and worker performance. Similarly, articles (Al-Baidhani & Alsaqqaf, 2022b; Hassan et al., 2022; Su & Baird, 2017) suggest that high-quality appraisal processes are related to heightened loyalty and organisational values. Al-Baidhani and Alsaqqaf (2022b) called for fairness and clarity to be used to gain commitment, while Hassan et al. (2022) noting that feedback has to be provided and should be action-oriented to boost performance.

A negative relation between turnover intentions and effective PA systems was evidenced in different studies (Agyare et al., 2016; Kuvaas, 2006; Mphahlele & Dachapalli, 2022; Opoku et al., 2024). According to the study conducted by Agyare et al. (2016), it was found that when employees get the feeling that their appraisals are biased or unclear, they are more likely to look forward to quitting tenure. On the other hand, Mphahlele and Dachapalli (2022) indicated that procedural feedback decreased exit intentions since it enhances perceived career-related courses.

In conclusion, it is clear that the existing systems of performance appraisal have a significant positive correlation to the critical aspects of the employees. Therefore, the studies evidence that where PA systems are adopted fairly, transparently, and with reference to developmental criteria, they are positively related to perceived satisfaction, motivation, commitment, performance, and retention.

RQ2: What features or characteristics of performance appraisal systems are associated with positive employee outcomes?

It is apparent that the numerous review studies emphasise that certain aspects of the appraisal systems and their implementation are particularly significant. Among factors that were found to be contributing positively to the projects' performance, developmental orientation, unlike administrative, was rated as the most compelling. Studies (Agyare et al., 2016; Mohamed Aly & El-Shanawany, 2016; Teh et al., 2012; Yamazaki & Yoon, 2016) have reported that the appraisal targeting the growth, learning and feedback elements had a positive impact on the outcomes, for example, motivation and performance. The study by Yamazaki and Yoon (2016) established that performance-focused appraisals that are developmentally oriented were more effective at boosting engagement

Thus, the appraisal process involvement of the employees became another significant factor. According to the literature (Agyare et al., 2016; Al-Baidhani & Alsaqqaf, 2022a; Chahar, 2020; Lau et al., 2008), the elements of goal setting, performance evaluation and feedback acceptance were improved when employees were actively involved in the process. For example, it was revealed in an article (Al-Baidhani & Alsaqqaf, 2022a) that the effect of participatory evaluations is the improved degree of identification and trust in an organisation. Frequency and format of the feedback also played an important role. The provision of feedback as and when it is needed, rather than on an annual basis (research review), was found to have better correlation in articles (Kamble; Shawn, 2023; Taneja et al., 2023). Such systems facilitated manoeuvrability, quick corrections in directions, in addition to providing an effective stimulus for the development of positive impressions of support.

However, only a few more recent studies (Dorta-Afonso et al., 2021; Palaiologos et al., 2011) explored the effects of digital and AI-assisted PA systems. In the article, it was found that the implementation of the appraisals made through the performance dashboard has enhanced the aspects of transparency and real-time development opportunities were seen, but data privacy issues persisted. Thus, the best PAS were those that were developmental, frequent and involved, and allowed for mutual giving and receiving of feedback. These characteristics enhanced perceived fairness, competency, and relatedness, essential for positive end outcomes. In this regard, a number of the articles (Agyare et al., 2016; Mohamed Aly & El-Shanawany, 2016; Palaiologos et al., 2011; Shawn, 2023; Su & Baird, 2017) underlined the

importance of the use of the developmental appraisal approaches for enhancing the level of engagement and satisfaction of the employees. Hence, participative goal, goal formulation and feedback, as well as compatibility with personal development planning, proved strongly associated with positive employee outcomes.

Figure 9 below shows the frequency of the item inclusion in the identified studies, with the more frequent ones being developmental and participative strategies in a good appraisal system. **Figure 9a** displays these co-occurrences and explores more about the nature of how the effectiveness of appraisal systems is made up of a complex of overlapped elements rather than single entities across the 30 studies.

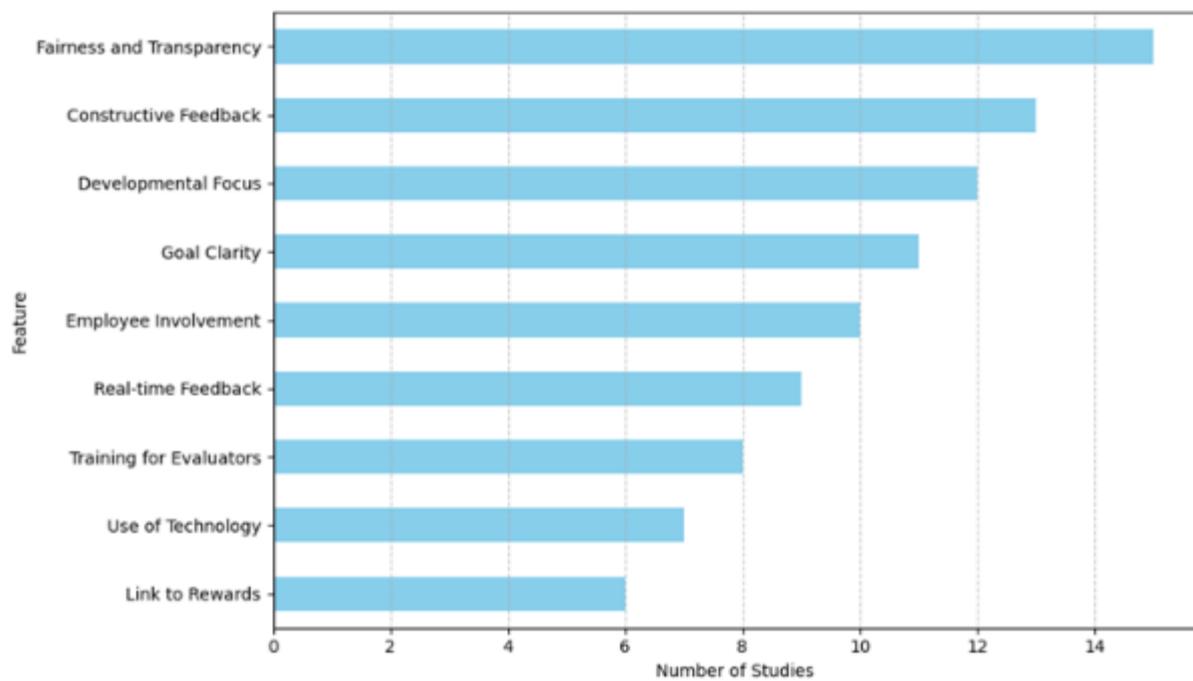


Figure 9: The Key Features in the Studies Linked to Positive Outcome

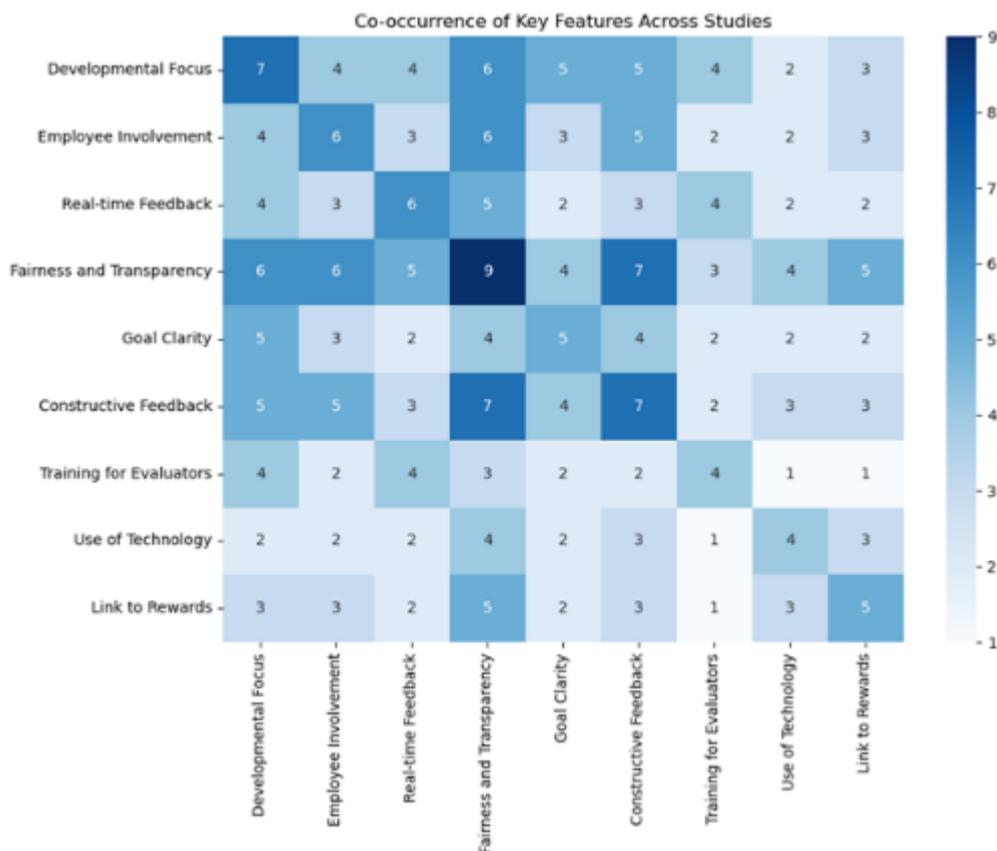


Figure 9a: Co-occurrence Analysis of Key Features

RQ3: What contextual factors (organisational, cultural, individual) moderate the relationship between performance appraisal systems and employee outcomes?

(Agyare et al., 2016; Daoanis, 2012; Kalogiannidis et al., 2025) found that undertaking flat-structured organisations have achieved higher levels of participative PA system success as compared to large hierarchical organisations that face significant challenges in facilitating employee participation in the process. Specifically, Kalogiannidis et al. (2025) found that receptiveness of feedback was enabled by some aspects of organisational culture, and more particularly, openness and innovation. These studies showed that cultural factors, especially in cross-national research (Al-Baidhani & Alsaqqaf, 2022b; Mohan & Vasumathi, 2024; Wenzel et al., 2017), were important. Al-Baidhani and Alsaqqaf (2022b) made a comparison between collectivist and individualist cultures and revealed that collectivist culture, especially that of East Asian origin, places a higher value on social order and thus affects how feedback is both given and received.

As viewed in the article by Mohan and Vasumathi (2024), the use of top-down appraisals in high power-distance culture invites little challenge but offers limited chances of growth. Although personality traits, age and tenure were less targeted than the preceding factors but they were found to be noticeable in (Al-Baidhani & Alsaqqaf, 2022a; Kampkötter, 2017; Singh & Mohanty, 2011). Kampkötter (2017) identified that openness to experience enhanced the effect of feedback-rich appraisals and Al-Baidhani and Alsaqqaf (2022a) pointed out that young employees appreciated technological systems and prompt feedback. Altogether, the contextual moderators can either enhance or mitigate the effectiveness of PA systems. Some

of these measures are crucial in modifying the types of appraisals employed in various organisations.

RQ4: How have these relationships evolved in the literature over time?

A chronicle of the 30 studies (2000–2025) shows that the evolution of PA system conceptions has begun and has also noted changes in how PA systems are being adopted and applied. The research conducted before 2010, including articles (Akinbowale et al., 2014; Daoanis, 2012; Mphahlele & Dachapalli, 2022), was mainly based on traditional annual reviews without giving much attention to the contingencies or feedback dynamics. Such systems were chiefly administrative and deemed to be mechanistic and centralised in approach.

This transition can also be seen between the years 2011 to 2018 in the identified articles, including (Lau et al., 2008; Opoku et al., 2024; Shawn, 2023; Su & Baird, 2017) here concerns for developmental and participatory approaches have been noted. This period was characterised as a feedback as a two-way road that was coupled with employee voice and justice. The articles published in 2019–2025 depict a move toward agility, technologies, and feedback, as presented in (Agyare et al., 2016; Palaiologos et al., 2011; Singh & Mohanty, 2011; Taneja et al., 2023; Ullah et al., 2021). For example, Palaiologos et al. (2011) reported on AI-based appraisal techniques used for instant feedback and performance management while using analytic instruments produced by colleagues. At the same time, Singh and Mohanty (2011) it revealed new worries of bias, surveillance, and lack of trust in tech-driven appraisals.

In the case of outcomes and moderators, a more detailed understanding emerges from more contemporary research. For instance, while the early works may just relate PA to performance, the latest articles consider the moderators, namely identity, work context and digital environment.

Thus, the kinds of evaluations have evolved from rather mechanical analyses to more humanistic and contextual views as the overall development of organisational psychology and HRM. Figure 2 presents the change in trends regarding performance appraisal systems over the years, with a shift from merely administrative to developmental, and digital/tech-based systems between the years 2000 and 2025.

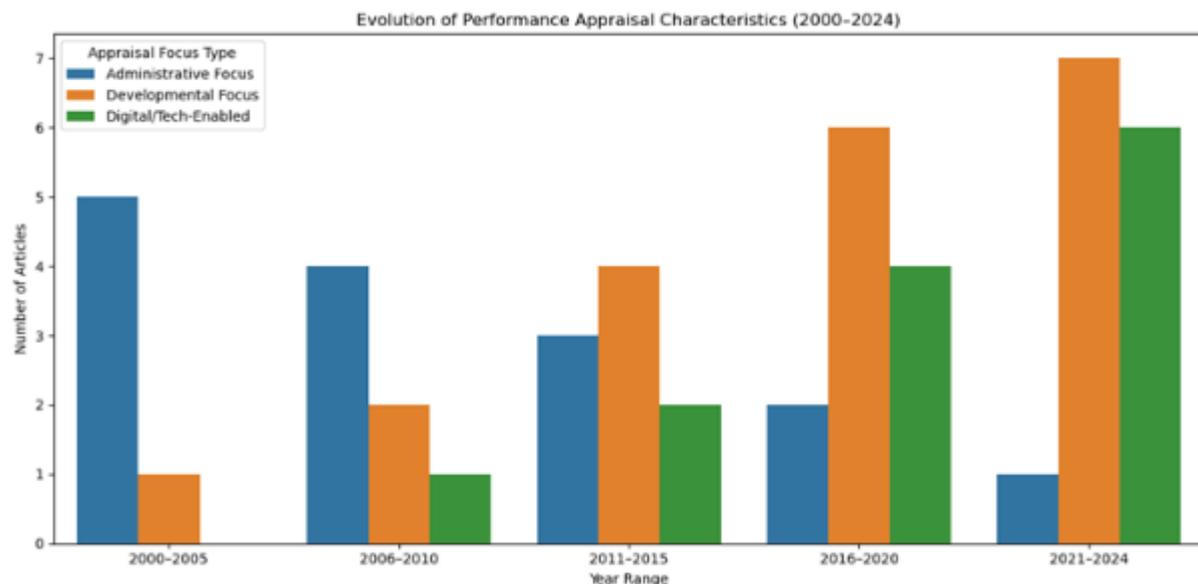


Figure 10: Evolution of Performance Appraisal Systems

Discussion

Thus, this review gives an overview of how PA systems are perceived, administered, and examined in regard to employees' outcomes. Although there is an increase in PA research interest from the year 2020 to date, there is a concern arising from the dynamics of the organisational environment as a result of changes in work nature owing to advancements in technology. This concurs with other HRM studies where concerns towards performance measurement and reporting took a new dimension during and after COVID-19 (Agyare et al., 2016; Palaiologos et al., 2011; Ullah et al., 2021). The purposeful identification of 30 papers meeting certain objectives strengthens the methodological basis of this review and permits evaluating the temporal trend more objectively and identifying whether the focus on specific themes grew or diminished over time, rather than judging by the activity level.

The analysis of the design leads to the observation that there is a skew towards the use of quantitative methods to assess the outcomes of PA. Nevertheless, the inclusion of qualitative and mixed studies indicates increased interest in subjective experience as perceived by individuals, especially regarding fairness, motivation or engagement. There is a need to continue to include both forms to improve their synergy, especially as the research field trends more towards context and sectors. From a geographical standpoint, the treemap analysis shows a great focus on countries such as India, Pakistan, and Greece. It can only mean that HRM challenges faced in some areas are tackled through the concentration of studies or academic funding there. Although this also implies a dearth of PT from diverse countries, which has been recommended to close the gap in the international transport of research and capture cultural differences in the efficacy of PA.

The conclusions drawn from a predefined sunburst chart show that PA research does not stay within one type of organisation. It is a mixture of government and quasi-government, and business organisations whereby health care, education and information technology are significant areas of interest. This focus on public sector appraisal could be attributed to the calls for efficiency and the call for formality in appraisal programs. On the same note, while seeking to embrace PA for utilisation, private sector interest demonstrates the importance of

PA in employee retention and innovativeness (Agyare et al., 2016; Palaiologos et al., 2011; Shawn, 2023).

To get a better understanding of another structural pattern in the research field, bibliometric analyses are also useful. There is not much density within the co-authorship network, which implies that most of the authors have low connectivity and only 72 authors are connected in a single cluster. This disconnection indicates that the field is growing and might require more string tying of scholarly works. At the same time, bibliographic coupling proves that the articles belong to 28 journals, which evidences that the topic of the study is interdisciplinary. Two journals that emerge slightly are the IBS Journal of Management and Research and Sustainability, suggesting that there may be some focus in the future for these particular journals.

The second form of support derived from the term co-occurrence analysis is the identification of main themes such as job satisfaction, motivation, fairness and performance appraisal system. These terms are in tune with the goals of the review and show a good conceptual content with regard to the outcomes and appraisal characteristics (Dorta-Afonso et al., 2021; Kampkötter, 2017; Mohamed Aly & El-Shanawany, 2016; Shawn, 2023; Singh & Mohanty, 2011). Notably, such terms as 'nurse' and 'performance appraisal process' are highly relevant, pointing to the importance of carrying out studies within the domain. Consequently, a lively but somewhat bifurcated research landscape makes it possible to identify several tendencies in developmental, participatory, and technological approaches to PA systems. It underlines the necessity of the contextual approach being combined with the methodological differences for creating more elaborate and effective insights into the performance appraisal practices.

Limitations, Implications, and Future Directions

In this study, there are some limitations that should be noted despite the general strengths of the systematic review approach used here. First, the inclusion of only thirty articles may imply some degree of sampling bias and thus affect the generalisation of the outcomes. Secondly, the use of only published, peer-reviewed articles reduces the findings from other sources of grey literature, dissertations, and industry reports.

Still, the findings provide theoretical and practical insights for research and practical fields. For researchers, the shift in focus to developmental, participative, and digital performance appraisal systems creates new opportunities for exploring employee-oriented performance management. This review particularly has implications for HR practitioners and policymakers involved in the development of context contingent systems that address concerns of fairness, openness and feedback to enhance the employee outcomes.

Further studies should consider various areas and sectors where appraising has not been examined rigorously; studies should also use both quantitative and qualitative methods for a deeper understanding and analysis; more research should address the ethical and practical issues in the use of AI for appraisal. Additionally, the longitudinal and cross-cultural studies are required to identify how the contextual and technological changes affect the efficacy

Conclusion

This paper highlights the need for organisations to adopt effective, well-thought-out performance appraisal systems in order to promote favourable employee responses such as job satisfaction, motivation and retention. From the year 2000 to 2025, the trend focuses on developmental, participatory, and technology-based strategies that entail fairness and constant feedback. However, an increasing interest is placed on contextual factors in implementation, including culture, type of organisation, and attributes of the individuals. Nevertheless, two areas that still require further improvement in terms of quality and density of the publications are the geographic specialisation and the interdisciplinary research, as well as the sectoral specialisation. Future research should focus on more context-based and more technology-sensitive approaches to the assessment of the workforce, as recognition of the fact that workforce scenarios and expectations continue to change.

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