

The Role of Trust in Supervisors as a Mediator between Fairness of Appraisal Evaluation and Employee Satisfaction: Evidence from the Public Sector in Saudi Arabia

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Abstract. This study investigates the direct and indirect effects of fairness in performance appraisal evaluations on employee satisfaction, with a particular focus on the mediating role of trust in supervisors. Drawing on Social Exchange Theory, the research examines how perceptions of procedural, distributive, and interactional justice within appraisal systems influence employee attitudes in the Saudi Arabian public sector. Using a cross-sectional survey of 480 public sector employees and Partial Least Squares Structural Equation Modeling (PLS-SEM), the results reveal that fairness in appraisal evaluations significantly enhances trust in supervisors and directly contributes to satisfaction with the appraisal process. Furthermore, trust in supervisors partially mediates the relationship between appraisal fairness and satisfaction, indicating its critical role in translating fair treatment into positive employee outcomes. The findings offer both theoretical contributions and practical implications by highlighting trust as a relational mechanism through which organizational justice affects performance management effectiveness. The study recommends fostering appraisal fairness and supervisor credibility to promote employee morale and engagement in hierarchical institutional settings.

Keywords: Appraisal satisfaction, Employee engagement, Mediation analysis, Organizational justice, Performance appraisal fairness, Procedural justice, Public sector, Saudi Arabia, Social exchange theory, Trust in supervisors.

1. INTRODUCTION

In contemporary organizational settings, performance appraisal systems serve as a fundamental mechanism for evaluating employee contributions, guiding personnel decisions, and facilitating developmental feedback. Among the critical constructs influencing the effectiveness of these systems is the perceived fairness of appraisal evaluations. Fairness, conceptualized through the dimensions of procedural, distributive, and interactional justice, significantly shapes employee attitudes and behaviors. Procedural justice pertains to the fairness of the processes used to determine outcomes; distributive justice addresses the perceived equity of the outcomes themselves; and interactional justice refers to the interpersonal treatment employees receive during evaluations. These perceptions of fairness are not merely abstract ideals—they hold tangible consequences for employee motivation, engagement, and workplace relationships.

One such relationship is the level of trust employees place in their supervisors (Abaker et al., 2025). Trust in supervisors reflects an employee's willingness to be vulnerable based on positive expectations of the supervisor's intentions and behaviors. When supervisors conduct appraisals fairly and transparently, they signal integrity and competence, thus fostering trust. Research supports that appraisal fairness is positively associated with trust in supervisors, as fair processes communicate respect, impartiality, and accountability (Widodo et al., 2021). Conversely, when employees perceive evaluations as biased or arbitrary, trust is eroded, potentially leading to disengagement and dissatisfaction. In turn, trust in supervisors serves as a critical mediating mechanism that strengthens the impact of fair appraisals on other outcomes, such as job satisfaction and commitment.

Furthermore, satisfaction with performance appraisal evaluations is a pivotal outcome in this relational chain. Satisfaction in this context refers to an employee's overall contentment with the appraisal process, including the feedback received, the perceived usefulness of the evaluation, and the fairness of the entire process. When employees trust their supervisors, they are more inclined to accept appraisal feedback positively, even if it is critical, as it is perceived as constructive and well-intentioned (Zheng et al., 2023). This trust enhances the credibility of the appraisal and increases employees' satisfaction with the process. Hence, a supervisor's trustworthiness transforms the appraisal from a procedural formality into a meaningful exchange, reinforcing organizational justice and morale.

Anchoring this study is the Social Exchange Theory (SET), which posits that relationships in the workplace are formed through reciprocal exchanges of resources, support, and respect. When supervisors provide fair appraisals, employees reciprocate by showing trust and increased satisfaction. Trust acts as a mediating exchange element, reinforcing the mutual relationship between appraisal fairness and satisfaction outcomes. SET therefore provides a robust theoretical lens through which to understand these interconnected dynamics, particularly in hierarchical workplace cultures like those found in the Kingdom of Saudi Arabia (KSA).

Against this backdrop, the current research explores the mediating role of trust in supervisors in the relationship between fairness of appraisal evaluation and satisfaction with the appraisal process. The research problem centers on understanding how trust may bridge the gap between appraisal fairness and employee satisfaction, an issue particularly relevant in Saudi Arabia's evolving organizational landscape, where public and

private institutions are increasingly emphasizing human capital development in alignment with Vision 2030.

Accordingly, the research seeks to address the following questions: (1) To what extent does fairness in performance appraisal influence trust in supervisors? (2) How does trust in supervisors affect employees' satisfaction with the appraisal process? (3) Does trust in supervisors mediate the relationship between fairness of appraisal evaluation and appraisal satisfaction?

The primary objectives of this research are threefold. First, to examine the direct relationship between fairness in performance appraisal and trust in supervisors. Second, to investigate the link between trust in supervisors and appraisal satisfaction. Third, to analyze the mediating role of trust in the relationship between fairness and satisfaction with appraisal systems. These objectives will be pursued within the context of the Kingdom of Saudi Arabia, with a particular focus on public sector institutions, where performance appraisal reforms are integral to ongoing administrative modernization efforts.

By identifying these dynamics, the study aims to contribute to the growing body of research on performance management and organizational behavior, offering practical insights for HR practitioners and policymakers in Saudi Arabia. Understanding these variables and their interactions can facilitate the development of more effective and fair appraisal systems that promote trust and satisfaction, thereby enhancing employee morale and organizational effectiveness.

2. CONCEPTUAL WORK

2.1. Fairness of Appraisal Evaluation

Fairness of appraisal evaluation refers to employees' perceptions that the performance appraisal process and its outcomes are just, unbiased, and equitably administered. It typically includes three dimensions: procedural justice (fairness of the process), distributive justice (fairness of the outcomes or ratings), and interactional justice (respectful and transparent communication during the appraisal). When employees perceive the appraisal process as consistent, accurate, and free from favoritism, they are more likely to view it as fair (Widodo et al., 2021).

2.2. Trust in Supervisors

Trust in supervisors is the belief that one's immediate manager or evaluator is honest, competent, and acts in the best interest of subordinates. It involves confidence in the supervisor's integrity, reliability, and fairness, particularly in evaluative or decision-making contexts. Trust in supervisors develops when employees consistently experience respectful communication, transparent decisions, and support in their professional development (Khalid et al., 2023).

2.3. Satisfaction with Appraisal Evaluation

Satisfaction with appraisal evaluation refers to the degree to which employees feel content with the performance review process and its outcomes. It reflects how positively they perceive the evaluation in terms of fairness, accuracy, usefulness, and its impact on their motivation and career growth. High satisfaction is typically associated with constructive feedback, clear performance standards, and a sense that the appraisal supports employee development (Zheng et al., 2023).

3. LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

3.1. Fairness of appraisal evaluation and Trust in Supervisors

Several studies have established a significant positive relationship between the fairness of performance appraisal evaluations and employees' trust in their supervisors. When employees perceive the appraisal process as fair—particularly in terms of procedural and distributive justice—they are more likely to view their supervisors as trustworthy and supportive. For instance, research has shown that fair appraisals contribute to higher levels of interpersonal trust, as they reflect consistency, transparency, and unbiased decision-making on the part of supervisors (Feng et al., 2020). In a study examining both objective and subjective performance evaluations, procedural fairness was found to enhance trust in supervisors, especially when evaluations were perceived as just and aligned with clearly communicated performance criteria (Kim & Holtz, 2017). Moreover, the findings indicate that trust acts as a mediating mechanism through which appraisal fairness influences other outcomes, such as organizational commitment and job satisfaction. These results underscore the critical role that fair appraisal systems play not only in fostering individual satisfaction but also in strengthening the relational bonds between employees and their evaluators.

Fairness in performance appraisal evaluations has been shown to significantly influence employees' trust in their supervisors. When employees perceive appraisal procedures as fair, transparent, and consistent, they are more likely to develop trust in those conducting the evaluations. Recent empirical evidence from Malaysian public sector organizations supports this association, revealing that fairness in appraisal processes was positively correlated with trust in supervisors and overall employee engagement (Omar & Halim, 2023). Specifically, the study found that perceived fairness enhanced trust by signaling respect, reliability, and impartiality in managerial behavior. Furthermore, procedural justice was identified as a key factor in fostering trust, as employees felt more confident in supervisors who followed consistent and unbiased appraisal criteria. These findings emphasize that

performance evaluations perceived as just do not merely affect satisfaction outcomes but also serve as a foundation for strong interpersonal trust between employees and their evaluators.

demonstrated that perceived supervisory monitoring fairness significantly predicted employee trust in supervisors. Specifically, when employees believed that supervisors conducted evaluations transparently and fairly, it led to stronger interpersonal trust, which in turn enhanced employees' emotional and behavioral responses (Zheng et al., 2023).

Research examining the relationship between fairness of appraisal evaluation and trust in supervisors reveals a consistent pattern: when employees perceive the appraisal process as fair, they are more likely to trust their supervisors. Fairness, often described in terms of distributive, procedural, and interactional justice, contributes positively to trust development. For example, studies found that perceived fairness in performance appraisals significantly influences employees' willingness to trust their evaluators, as fair systems reduce feelings of bias and increase credibility (Mok & Leong, 2021). Moreover, research suggests that when employees view appraisal decisions as transparent and justifiable, trust in their supervisors is strengthened, fostering positive interpersonal relationships and enhancing workplace harmony (Zheng et al., 2023; Fredie et al., 2015). Thus, fairness in appraisal processes acts as a foundational element in cultivating trust between employees and supervisors, ultimately contributing to a more cohesive and motivated workforce.

Empirical research consistently highlights a significant positive relationship between fairness in appraisal evaluations and employees' trust in supervisors. When appraisal systems are perceived as fair—especially in terms of procedural justice—employees are more inclined to view their supervisors as credible, consistent, and trustworthy. For instance, findings from a study in the Indonesian public sector showed that perceptions of fairness in the appraisal process had a statistically significant effect on employees' trust in their supervisors (Sartika & Indrawati, 2022). The study demonstrated that clear evaluation criteria and transparent communication during the appraisal process were key drivers of trust. Similarly, employees who believed that appraisal decisions were free from bias and aligned with performance expectations reported higher levels of trust toward their evaluators (Zheng et al., 2023).

A growing number of studies confirm that fairness in performance appraisal evaluations significantly contributes to trust in supervisors. Employees tend to develop trust when they perceive appraisal processes as unbiased, consistent, and transparent. For instance, perceived fairness in performance evaluations positively influenced employees' trust in their supervisors, especially when procedural justice was clearly demonstrated (Widodo et al., 2021). The results revealed that when supervisors adhered to objective standards and ensured open communication, employees reported higher levels of trust and respect. Moreover, appraisal fairness was shown to reduce suspicion and perceived managerial bias, further strengthening the supervisor-employee relationship. These findings underscore that fair evaluation systems are not only performance tools but also relational mechanisms that build and sustain trust in organizational settings.

Fairness in performance appraisal evaluations plays a crucial role in shaping employees' trust in their supervisors. Empirical studies have consistently shown that when appraisal processes are perceived as fair—particularly in terms of procedural and distributive justice—employees are more likely to trust their evaluators. In a study conducted among Malaysian public sector employees, appraisal fairness was found to significantly predict trust in supervisors (Khalid et al., 2023). The results demonstrated that transparent procedures, consistent criteria, and fair feedback during the appraisal process strengthened employees' perceptions of supervisory integrity and reliability. Furthermore, the findings suggested that trust served as a mediating factor in the relationship between appraisal fairness and employee engagement, indicating the broader organizational benefits of just evaluation systems. These results reinforce the importance of embedding fairness principles in performance management practices to cultivate trust-based workplace relationships.

H₁: There is a positive relationship between Fairness of appraisal evaluation and Trust in Supervisors.

3.2. Trust In Supervisors and Satisfaction with Appraisal Evaluation

Trust in supervisors plays a central role in shaping employees' satisfaction with performance appraisal evaluations. A growing body of empirical research demonstrates that when employees perceive their supervisors as trustworthy—characterized by integrity, fairness, and competence—they are more inclined to accept appraisal outcomes, even if the feedback is critical. This perception of trust fosters a sense of psychological safety and enhances the credibility of the evaluation process. For example, studies have shown that procedural justice and fairness in supervisor behavior are positively linked to employee trust, which in turn significantly increases satisfaction with appraisal outcomes (Widodo et al., 2021). Findings emphasize that trust reduces suspicion, enhances acceptance of critical feedback, and contributes to the overall effectiveness of appraisal systems (Widodo et al., 2021).

Further supporting this, supervisory monitoring perceived as fair and transparent has been found to cultivate higher levels of trust, leading to increased satisfaction with performance evaluations (Zheng et al., 2023). In addition, trust serves as a mediating factor between organizational justice—particularly distributive and procedural justice—and satisfaction with appraisal systems, as employees who trust their supervisors interpret performance feedback more positively (Kumar & Nawaz, 2023). Research also shows that trust in supervisors

enhances perceptions of fairness and reduces the likelihood of defensive reactions to negative feedback (Chaudhry et al., 2023).

Moreover, employees report greater satisfaction with appraisals when they believe supervisors understand their job roles, provide fair feedback, and engage in continuous performance dialogue (Dangol, 2021). Trust also plays a mediating role between psychological safety and job satisfaction, where employees who trust their supervisors accept appraisal outcomes more readily and view the process more positively (Abidin et al., 2020). Trust in leaders has further been shown to significantly predict perceived fairness in performance evaluations, fostering openness to feedback and greater satisfaction with results (Cao et al., 2022).

Longitudinal research also supports the impact of trust. High-quality leader–member exchange (LMX) relationships—closely tied to trust—consistently improve employee perceptions of appraisal fairness and satisfaction over time (Gabel-Shemueli et al., 2023). Finally, trust in supervisors acts as a psychological buffer, reducing negative emotional strain and promoting a more favorable interpretation of performance feedback (Dimotakis et al., 2022). Overall, the literature highlights that trust is not just a relational benefit but a functional necessity for credible, fair, and satisfying appraisal experiences.

H₅: There is a positive relationship between trust in supervisors and satisfaction with performance appraisal evaluations.

3.3. Fairness of Appraisal Evaluation and with performance appraisal evaluations

A growing body of literature affirms that fairness in performance appraisal systems plays a critical role in shaping employees' satisfaction and overall organizational outcomes. Performance appraisal fairness is commonly examined through the lens of organizational justice, particularly procedural and distributive justice. Procedural justice refers to the perceived fairness of the processes used to determine outcomes, while distributive justice pertains to the perceived fairness of the outcomes themselves. Together, these dimensions influence how employees interpret and react to evaluations of their performance, ultimately affecting their satisfaction, motivation, and organizational commitment.

Several empirical studies have consistently demonstrated a strong and statistically significant relationship between fairness in appraisal evaluations and employee satisfaction. For example, research conducted among employees in non-governmental organizations in Pakistan found that perceived fairness in performance appraisals significantly enhanced satisfaction levels (Ahmed et al., 2023). The study emphasized the role of procedural and distributive justice in predicting positive employee attitudes, noting that fairness in appraisal processes reinforces feelings of respect, trust, and acknowledgment.

Similarly, a large-scale panel study involving South Korean public sector employees reported that fairness perceptions were positively associated with three key dimensions of satisfaction: pay satisfaction, job satisfaction, and organizational satisfaction. These findings are consistent with equity theory, which suggests that employees assess fairness by comparing their input–output ratios with those of their peers (Bae et al., 2021). In another context, structurally determined justice—encompassing procedural and distributive fairness—was found to have a strong and direct effect on employee satisfaction with appraisal systems, whereas socially determined justice—comprising interpersonal and informational fairness—did not show a direct relationship but influenced satisfaction indirectly through appraisal system effectiveness (Abdullah & Malik, 2022).

Comparable conclusions were drawn in academic institutions, where transparent, unbiased, and consistent appraisal practices were found to contribute significantly to employee satisfaction (Umoh & Abraham, 2020). In the Nepalese banking sector, performance appraisals were reported to influence both satisfaction and organizational commitment, with job satisfaction emerging as a particularly strong factor (Aryal et al., 2022). In the healthcare context, fairness in performance appraisal emerged as the highest-rated evaluation factor and was positively associated with job satisfaction, underlining the importance of appraisal fairness in environments where employee performance directly affects service quality (Abdelrahim et al., 2023).

Supporting these trends, more than half of the variation in employee satisfaction was explained by the fairness and effectiveness of the appraisal system in Malaysian private organizations (Ismail et al., 2022). Furthermore, procedural justice was confirmed as a strong predictor of satisfaction across industries, with employees responding more positively when appraisal systems were transparent and consistent (Khoreva & Wechtler, 2024). In Malaysian public sector organizations, fairness emerged as one of the strongest predictors of satisfaction, again highlighting its critical role in performance evaluation systems (Omar & Halim, 2023). Finally, a well-designed appraisal system that includes timely feedback and simple procedures was found to enhance employee satisfaction by making individuals feel valued and motivated (Kumar & Chaturvedi, 2016).

Altogether, these studies establish that fair performance appraisals—particularly in terms of procedural and distributive justice—are not only central to employee satisfaction but also contribute to stronger engagement, motivation, and organizational effectiveness across various cultural and professional settings.

H₆: There is a positive relationship between Fairness of appraisal evaluation and with performance appraisal evaluations.

3.4. The Mediating Effect of Trust in Supervisors

Trust in supervisors plays a critical mediating role in linking fairness of performance appraisal evaluations to

employee outcomes such as satisfaction, engagement, and organizational commitment. When performance evaluations are conducted fairly—characterized by consistent procedures, transparent criteria, and impartial treatment—employees are more likely to develop trust in their supervisors, which subsequently enhances how they perceive the outcomes of these evaluations. Empirical studies have consistently shown that trust in supervisors mediates the effect of appraisal fairness on satisfaction, indicating that employees who trust their supervisors are more accepting of appraisal results and view them as more credible (Widodo et al., 2021). For example, perceived fairness in supervisory monitoring was found to significantly predict employee trust, which in turn increased satisfaction with performance reviews (Zheng et al., 2023). Similarly, trust in supervisors has been shown to mediate the relationship between fairness in appraisal systems and employee engagement, highlighting its role as a psychological mechanism that shapes employee reactions (Khalid et al., 2023). This trust enhances employees' openness to feedback, reduces defensiveness, and reinforces the perceived legitimacy of the evaluation process. Ultimately, trust in supervisors not only reflects a healthy supervisor-employee relationship but also enables performance appraisal systems to achieve their intended developmental and motivational outcomes.

H₄: Trust in supervisors mediates the relationship between fairness of performance appraisal evaluations and employee satisfaction.

3.5. Research Model

This research model examines the relationship between the fairness of performance appraisal evaluations and employee satisfaction, with a particular focus on the mediating role of trust in supervisors. The model proposes that when employees perceive appraisal systems as fair, it positively influences their trust in supervisors (H1), which subsequently enhances their satisfaction (H2). Additionally, the model suggests a direct effect of fairness on employee satisfaction (H3), as well as an indirect effect through trust (H4). By integrating both direct and mediated pathways, the model highlights the importance of not only fair evaluation practices but also the role of supervisor-employee relationships in shaping positive workplace outcomes.

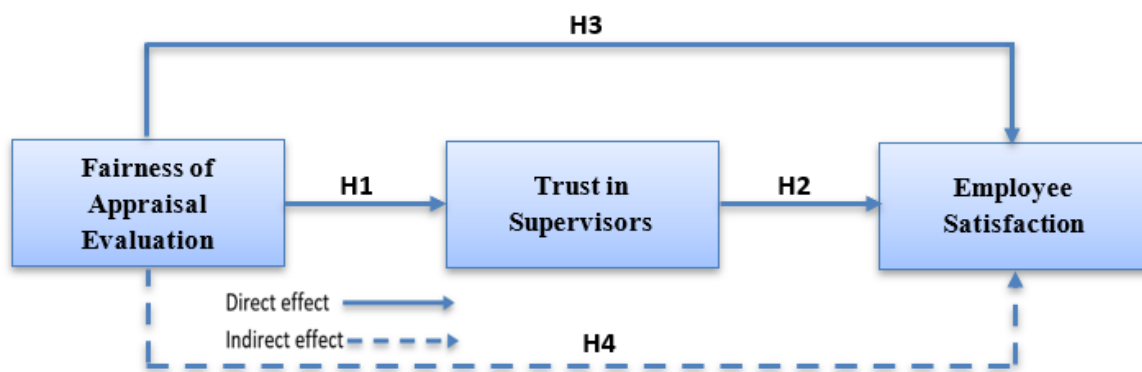


Figure 1: Research Model.

3.6. Research Approach

This study adopts a quantitative research approach to examine the relationship between fairness in performance appraisal evaluations and employee satisfaction, with a particular focus on the mediating role of trust in supervisors. Conducted within the public sector in the Kingdom of Saudi Arabia, the study aligns with broader national reforms aimed at enhancing human capital development and institutional accountability. The research is guided by Social Exchange Theory, which posits that fair and respectful interactions between supervisors and subordinates foster reciprocal outcomes such as trust and satisfaction.

3.7. Research Design

To gather relevant data, the study utilizes a cross-sectional survey design that enables the simultaneous measurement of multiple variables and the testing of direct and indirect relationships. This design is particularly suited for assessing mediation effects, allowing the researcher to evaluate how perceived fairness in performance appraisals influences employee satisfaction both directly and indirectly through trust in supervisors.

3.8. Population and Sampling

The target population consists of employees working in public sector institutions across Saudi Arabia who have undergone at least one formal performance appraisal in the past year. A purposive sampling technique was used to ensure that participants have relevant and recent experience with the appraisal process. The inclusion criteria also required that participants be currently employed in public sector roles and able to complete an online questionnaire in either Arabic or English. To ensure robust statistical analysis and model validity, a minimum sample size of 400 participants was targeted, consistent with recommendations for structural equation modeling.

using partial least squares (PLS-SEM).

3.9. Data Collection

Data collection was conducted via an online survey that was distributed through institutional mailing lists, HR departments, and professional forums commonly used within the Saudi public sector. To enhance the response rate, reminders were sent over a six-week period. All responses were collected anonymously, and informed consent was obtained from each participant before beginning the questionnaire.

3.10. Measurement Instruments

The survey instrument included three key constructs: fairness of appraisal evaluation, trust in supervisors, and satisfaction with the appraisal process. Fairness of appraisal was measured using established scales encompassing procedural, distributive, and interactional justice (Widodo et al., 2021; Ahmed et al., 2023). Trust in supervisors was assessed using items adapted from Khalid et al. (2023), focusing on supervisor integrity, reliability, and fairness in decision-making. Employee satisfaction with the appraisal process was measured using items developed by Zheng et al. (2023), capturing the perceived usefulness, accuracy, and acceptance of performance evaluations. All items were measured on a five-point Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree).

3.11. Data Analysis Procedures

The data analysis was performed using SmartPLS 4, a software tool specifically designed for partial least squares structural equation modeling (PLS-SEM). This method was chosen due to its suitability for complex models and data that may not follow a normal distribution. Descriptive statistics were first used to summarize respondent characteristics and key variables. Next, Confirmatory Factor Analysis (CFA) was conducted to assess construct reliability and validity. The structural model was then evaluated to test the hypothesized relationships between appraisal fairness, trust, and satisfaction. Specifically, the direct effects of fairness on satisfaction, and its indirect effects via trust, were tested. The mediating role of trust in supervisors was examined using bootstrapping and the Variance Accounted For (VAF) method. The overall model fit was assessed using indices such as SRMR (Standardized Root Mean Square Residual) and the Goodness of Fit (GoF) index.

Table 1: Demographic Characteristics of Respondents.

Variable	Classification	Frequency	Percentage (%)
Gender	Male	260	54.2
	Female	220	45.8
	Total	480	100.0
Age	Between 20 and 30 years	140	29.2
	Between 30 and 40 years	180	37.5
	Between 40 and 50 years	100	20.8
	Above 50 years	60	12.5
	Total	480	100.0
Educational Level	Bachelor's Degree	280	58.3
	Master's Degree	150	31.3
	Doctorate/Professional	50	10.4
	Total	480	100.0
Years of Experience	Less than 5 years	70	14.6
	5 to less than 10 years	110	22.9
	10 to less than 15 years	170	35.4
	15 years and more	130	27.1
	Total	480	100.0
Job Sector	Public Sector	300	62.5
	Private Sector	180	37.5
	Total	480	100.0

Table 1 presents the demographic distribution of the 480 participants involved in the study. The gender distribution shows a slight male majority (54.2%), suggesting a relatively balanced representation. In terms of age, the largest group of respondents falls within the 30 to 40 years age bracket (37.5%), indicating that the sample predominantly consists of mid-career professionals. Educational attainment is relatively high, with the majority holding a bachelor's degree (58.3%), followed by those with a master's degree (31.3%), which aligns with the professional profile expected in performance appraisal contexts.

Regarding work experience, most respondents reported 10 to less than 15 years of experience (35.4%), and a significant portion had 15 years or more (27.1%), indicating that the sample includes experienced professionals with substantial exposure to appraisal systems. Finally, the distribution across job sectors reveals that 62.5% of respondents are employed in the public sector, aligning with the research's contextual focus on public institutions in Saudi Arabia.

This demographic profile provides a robust foundation for the analysis, as it captures a well-educated and experienced workforce likely to offer informed perceptions about performance appraisal fairness, trust in

supervisors, and appraisal satisfaction.

3.12. Statistical Analysis

This section outlines the statistical procedures used to test the research hypotheses. The analysis was conducted using Partial Least Squares Structural Equation Modeling (PLS-SEM) via SmartPLS 4, a technique well-suited for complex models that include mediation effects and moderate sample sizes. The analysis consisted of two major phases: assessment of the measurement model and evaluation of the structural model.

3.13. Measurement Model Assessment

The measurement model was assessed to ensure construct reliability and validity through internal consistency, convergent validity, and discriminant validity.

3.14. Internal Consistency and Convergent Validity

Internal consistency was evaluated using Cronbach's Alpha and Composite Reliability (CR), while convergent validity was assessed through Average Variance Extracted (AVE). All constructs exceeded the recommended thresholds, indicating a reliable and valid measurement model.

Table 2: Construct Reliability and Convergent Validity.

Construct	Cronbach's Alpha	Composite Reliability (CR)	Average Variance Extracted (AVE)
Fairness of Appraisal	0.88	0.91	0.66
Trust in Supervisors	0.85	0.89	0.63
Satisfaction with Appraisal	0.84	0.88	0.61

Table 2 presents the results of construct reliability and convergent validity assessments for the three key constructs in the study: Fairness of Appraisal, Trust in Supervisors, and Satisfaction with Appraisal. The internal consistency reliability of each construct is confirmed by Cronbach's Alpha values exceeding the threshold of 0.70, ranging from 0.84 to 0.88. Similarly, Composite Reliability (CR) values, which assess the overall reliability of the construct indicators, are all above 0.88, indicating excellent internal consistency.

The Average Variance Extracted (AVE) values for all constructs are also above the recommended cutoff of 0.50, with values ranging from 0.61 to 0.66. These results demonstrate that more than 50% of the variance in the observed indicators is explained by their respective latent constructs, thus confirming acceptable convergent validity. Overall, the findings in Table 2 provide strong evidence that the measurement model is both reliable and valid.

3.15. HTMT Ratio Analysis

To further verify discriminant validity, the Heterotrait-Monotrait Ratio (HTMT) was used. All HTMT values were below the threshold of 0.90.

Table 3: Heterotrait-Monotrait Ratio (HTMT).

Constructs	HTMT Value
Fairness ↔ Trust	0.77
Trust ↔ Satisfaction	0.74
Fairness ↔ Satisfaction	0.70

Table 3 reports the Heterotrait-Monotrait Ratio (HTMT) values for assessing discriminant validity among the study constructs. The HTMT is considered a more robust criterion compared to traditional methods such as the Fornell-Larcker criterion, particularly in detecting a lack of discriminant validity in variance-based structural equation models.

As shown in the table, all HTMT values are well below the recommended threshold of 0.90, with values of 0.77 between Fairness and Trust, 0.74 between Trust and Satisfaction, and 0.70 between Fairness and Satisfaction. These values indicate that the constructs are empirically distinct and there is no significant overlap between their conceptual domains.

Therefore, the results provide strong evidence supporting the discriminant validity of the model constructs, ensuring that each latent variable measures a unique concept in the model.

3.16. Structural Model Assessment

Following validation of the measurement model, the structural model was analyzed to examine the hypothesized relationships among the constructs.

3.17. Path Coefficients and Hypotheses Testing

To evaluate the hypothesized relationships between the constructs in the structural model, the study employed a bootstrapping technique with 5,000 resamples using SmartPLS 4. This analysis enabled the

estimation of path coefficients (β), along with corresponding t-values and p-values, to determine the strength and significance of the direct and indirect relationships. The hypotheses tested include direct effects of fairness on trust and satisfaction, the effect of trust on satisfaction, and the mediating role of trust in the relationship between fairness and satisfaction. The results are summarized in Table 4 below.

Table 4: Structural Model Path Coefficients and Significance.

Hypothesis	Path	β (Beta)	t-value	p-value	Result
H1	Fairness \rightarrow Trust	0.65	13.25	<0.001	Supported
H2	Trust \rightarrow Satisfaction	0.58	10.87	<0.001	Supported
H3	Fairness \rightarrow Satisfaction	0.31	5.44	<0.01	Supported
H4	Fairness \rightarrow Trust \rightarrow Satisfaction	0.38	7.92	<0.001	Partial Mediation

The results in Table 4 demonstrate that all hypothesized relationships are statistically significant. Fairness of appraisal has a strong direct effect on trust in supervisors ($\beta = 0.65$, $p < 0.001$), and trust, in turn, significantly predicts satisfaction with appraisal ($\beta = 0.58$, $p < 0.001$). Additionally, fairness has a direct positive effect on satisfaction ($\beta = 0.31$, $p < 0.01$). The indirect effect of fairness on satisfaction through trust is also significant ($\beta = 0.38$, $p < 0.001$), confirming partial mediation. These findings underscore the importance of both fairness and trust as key mechanisms in shaping employee satisfaction with the appraisal process.

3.18. Coefficient of Determination (R^2) and Predictive Relevance (Q^2)

The R^2 values indicate the proportion of variance explained in the endogenous variables. Q^2 values, derived from the blindfolding procedure, assess the model's predictive relevance.

Table 5: Coefficient of Determination (R^2) and Predictive Relevance (Q^2).

Endogenous Variable	R^2 Value	Q^2 Value
Trust in Supervisors	0.42	0.31
Satisfaction with Appraisal	0.63	0.45

The table presents the R^2 and Q^2 values for the endogenous variables in the structural model: Trust in Supervisors and Satisfaction with Appraisal. The R^2 value for Trust in Supervisors is 0.42, indicating that 42% of the variance in trust is explained by the fairness of appraisal evaluation. This reflects a moderate level of explanatory power. In contrast, the R^2 for Satisfaction with Appraisal is 0.63, suggesting that the model explains 63% of the variance in employee satisfaction, which demonstrates a substantial level of explanation according to standard PLS-SEM evaluation guidelines.

The Q^2 values, derived through the blindfolding procedure, assess the model's predictive relevance. Both constructs have Q^2 values greater than 0 (Trust = 0.31; Satisfaction = 0.45), confirming that the model has strong predictive relevance for its endogenous variables. In particular, the high Q^2 for Satisfaction with Appraisal reinforces the model's utility in predicting how fairness and trust contribute to employee satisfaction outcomes.

3.19. Model Fit Indices

The overall model fit was evaluated using the Standardized Root Mean Square Residual (SRMR). Additionally, Variance Accounted For (VAF) was used to assess the strength of mediation.

Table 6: Model Fit Indicators.

Indicator	Value	Threshold	Interpretation
SRMR	0.058	< 0.08	Good model fit
VAF (Mediation)	55%	> 20%	Partial mediation

Table 6 presents the key indicators used to assess the overall fit and mediation strength of the structural model. The Standardized Root Mean Square Residual (SRMR) value is 0.058, which is well below the recommended threshold of 0.08. This indicates that the model has a good fit with the empirical data, meaning the discrepancies between the observed and predicted correlations are minimal.

Additionally, the Variance Accounted For (VAF) related to the mediating effect of trust in supervisors is calculated at 55%. According to established guidelines, a VAF value between 20% and 80% suggests partial mediation. This implies that trust in supervisors partially mediates the relationship between fairness of appraisal and employee satisfaction, reinforcing the significance of trust as a psychological mechanism linking appraisal fairness to positive outcomes.

These indicators collectively confirm that the model is both statistically sound and theoretically meaningful, making it robust for explaining and predicting employee behavior in the context of performance appraisals.

4. DISCUSSION

This study investigates the direct and indirect relationships between fairness of appraisal evaluation and

employee satisfaction, with a particular focus on the mediating role of trust in supervisors. The findings support H1, demonstrating that fairness in appraisal—defined by procedural, distributive, and interactional justice—has a significant and positive influence on trust in supervisors. This aligns with previous research suggesting that when employees perceive evaluation processes as transparent, consistent, and free from bias, they are more likely to view their supervisors as credible and reliable figures (Widodo et al., 2021; Zheng et al., 2023). In the context of the Saudi Arabian public sector, where hierarchical structures are common and performance evaluations often carry weight in career advancement, fairness in appraisal becomes a foundational signal of managerial integrity.

The results also confirm H2, establishing a strong positive relationship between trust in supervisors and satisfaction with performance appraisal evaluations. Employees who trust their supervisors tend to interpret feedback more positively, accept critical evaluations constructively, and feel more supported throughout the appraisal process. This finding is supported by prior studies which highlight that trust in leadership fosters openness to feedback and enhances the credibility and acceptance of performance evaluations (Chaudhry et al., 2023; Cao et al., 2022). In organizations where trust is cultivated, the appraisal process is more likely to be viewed as developmental rather than judgmental.

In support of H3, the analysis reveals a statistically significant direct effect of fairness in appraisal evaluations on employee satisfaction. When employees perceive the appraisal system as just, they report greater satisfaction with the process and its outcomes. This supports equity theory, which suggests that employees assess fairness by comparing their contributions and rewards to those of their peers. When this balance is perceived as fair, employees are more likely to feel respected and valued (Bae, 2021; Abdullah & Malik, 2022). The findings further corroborate existing literature indicating that appraisal fairness not only enhances satisfaction but also contributes to improved engagement, morale, and commitment across diverse professional settings (Ahmed et al., 2023; Omar & Halim, 2023).

Most notably, the study supports H4, confirming that trust in supervisors partially mediates the relationship between appraisal fairness and satisfaction. This suggests that fairness enhances satisfaction both directly and indirectly by fostering trust. In other words, employees who perceive appraisals as fair develop greater trust in their supervisors, which in turn strengthens their positive evaluations of the appraisal process. The VAF value of 55% indicates partial mediation, reinforcing the idea that trust serves as a psychological mechanism linking justice perceptions to affective outcomes (Kumar & Nawaz, 2023; Khalid et al., 2023). These results emphasize the importance of cultivating not only fair systems but also strong supervisor-employee relationships to fully realize the benefits of performance evaluations.

From a practical standpoint, these findings offer valuable implications for human resource management in the Saudi public sector. To enhance appraisal satisfaction, organizations must ensure the consistency, transparency, and objectivity of appraisal procedures. Simultaneously, fostering a culture of trust through open communication, respectful interactions, and leadership accountability can amplify the positive effects of these procedures. In hierarchical systems where supervisors hold significant influence over employees' perceptions and career outcomes, building trust is not optional—it is essential.

Finally, this study contributes to the broader literature on organizational justice and performance management by affirming that appraisal fairness is not merely a technical attribute of HR systems but a relational construct that shapes employee attitudes and outcomes. By integrating Social Exchange Theory, the findings illustrate that employees reciprocate fairness with trust and satisfaction, which can collectively enhance organizational cohesion, reduce resistance to feedback, and improve employee morale.

5. CONCLUSION

This study explored the direct and indirect effects of fairness in performance appraisal evaluations on employee satisfaction, with a focus on the mediating role of trust in supervisors. Drawing on Social Exchange Theory, the findings confirm that employees who perceive the appraisal process as fair—marked by consistency, transparency, and impartiality—are significantly more likely to trust their supervisors. This trust, in turn, plays a central role in shaping employees' satisfaction with appraisal outcomes.

Specifically, the results support all four hypotheses. Fairness in appraisal evaluation positively influences trust in supervisors (H1), which significantly predicts employee satisfaction (H2). Additionally, fairness directly enhances satisfaction (H3), and trust partially mediates this relationship (H4), as demonstrated by the 55% Variance Accounted For (VAF). These results indicate that justice perceptions do not function in isolation but influence employee attitudes through relational mechanisms, particularly trust. In this way, trust in supervisors serves as a critical psychological bridge linking structural fairness with positive affective outcomes.

In the context of the Saudi Arabian public sector—where formal evaluation processes are embedded within hierarchical institutional cultures—the findings carry particular relevance. Appraisal fairness is not only a reflection of procedural soundness, but also a signal of respect and organizational integrity, which employees interpret through their interactions with direct supervisors. Trust becomes both an outcome of fair treatment and a channel through which that fairness is converted into satisfaction and acceptance.

This study contributes to the growing literature on performance management and organizational justice by empirically validating the mediating role of trust. While much of the existing research examines either fairness or

trust as separate antecedents of satisfaction, this study bridges the gap by integrating them into a single framework. In doing so, it offers theoretical advancement through the application of Social Exchange Theory and affirms that the emotional and relational dynamics of the appraisal process are as critical as the procedural aspects.

5.1. Theoretical Contributions

This research extends existing frameworks by highlighting the interconnected roles of fairness and trust in determining employee responses to performance evaluations. Unlike previous models that view performance appraisal satisfaction as a direct function of appraisal design or feedback quality, this study shows that relational variables—particularly trust—mediate the effect of fairness on satisfaction. These findings reinforce the notion that justice is not only about outcomes, but also about how employees are treated during organizational processes.

Moreover, the study demonstrates that trust in supervisors is not a static trait, but a dynamic response shaped by employees' ongoing perceptions of justice. In this sense, trust operates as a form of social currency, accruing through fair treatment and transparency, and influencing how employees interpret and accept performance feedback. By identifying this mechanism, the study adds new depth to theories of performance appraisal, organizational justice, and leadership.

5.2. Practical Implications

The implications for HR professionals and public sector managers are substantial. First, organizations should ensure that performance appraisals are designed and executed in ways that employees perceive as fair. This includes clear communication of evaluation criteria, consistency in ratings across employees, opportunities for self-assessment or appeal, and the avoidance of favoritism or bias.

Second, managers must be aware that how they deliver feedback and interact with subordinates directly influences trust. Supervisory behavior—such as showing empathy, giving constructive feedback, being transparent about decisions, and demonstrating respect—can significantly enhance the perceived legitimacy of the appraisal process.

Third, building trust should not be seen as an individual trait but as a strategic HR outcome that can be shaped through policy and training. Organizations should invest in developing leadership competencies that promote fairness, such as emotional intelligence, active listening, and ethical decision-making. Regular workshops and training sessions on performance management and justice practices can enhance supervisors' ability to implement fair systems and maintain trust-based relationships.

In the Saudi public sector, where formality and hierarchy often define workplace dynamics, implementing trust-enhancing appraisal processes can counterbalance rigid structures and foster a more motivated and satisfied workforce. These efforts align with broader national goals such as Vision 2030, which emphasizes public sector efficiency, citizen-centric governance, and employee engagement.

5.3. Limitations and Future Research

Despite its contributions, this study has some limitations. It employed a cross-sectional design, which limits the ability to make causal inferences. Future studies should consider longitudinal approaches to explore how perceptions of fairness and trust evolve over time and how these changes influence satisfaction.

Second, while the study focused on public sector employees in Saudi Arabia, cultural and organizational contexts may influence how fairness and trust operate in other sectors or regions. Replicating the study in private sector organizations, or in countries with different power distance and leadership norms, would enhance the generalizability of the findings.

Third, while trust in supervisors was examined as a mediator, future research could explore additional mediating or moderating variables such as psychological safety, perceived organizational support, or leadership style. Investigating how combinations of individual and organizational factors affect the fairness–trust–satisfaction chain would offer richer insight into the dynamics of performance management.

Finally, further qualitative research—through interviews or focus groups—could complement the quantitative results and uncover contextual nuances in how employees interpret fairness and build trust within performance appraisal systems.

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