

ABSTRACT

This study is motivated by the persistent issue of bias in performance appraisal systems, particularly in manufacturing companies, where appraisal processes are often influenced by subjectivity and may affect employees' perceptions of fairness, work motivation, and job satisfaction. Although objective appraisal systems are essential, previous studies have shown that biases such as the halo effect, central tendency bias, and similarity bias still frequently occur, while research exploring employees' lived experiences in the Indonesian manufacturing context remains limited. Therefore, this study aims to identify the forms of bias perceived by employees in a manufacturing company, analyze their effects on perceptions of fairness, work motivation, and job satisfaction, and examine the company's efforts to minimize such biases. This research employs a qualitative approach using Interpretative Phenomenological Analysis (IPA), with participants selected purposively from the Human Resources Division. Data were collected through in-depth interviews, observation, and document analysis, and were analyzed using thematic analysis. The findings reveal that appraisal bias still persists, particularly in the form of managerial subjectivity and central tendency bias, which negatively influence employees' perceptions of procedural and interactional justice, leading to reduced motivation and lower satisfaction with the appraisal system. The study concludes that more structured appraisal standards and stronger feedback communication are necessary to minimize bias and improve fairness in performance appraisal systems.

Keywords: *performance appraisal bias, organizational justice, employee perception, work motivation, job satisfaction, interpretative phenomenological analysis.*

