

## Repositório ISCTE-IUL

---

Deposited in *Repositório ISCTE-IUL*:

2021-03-04

Deposited version:

Accepted Version

Peer-review status of attached file:

Peer-reviewed

Citation for published item:

Madureira, C., Rando, B. & Ferraz, D. (2021). The Public Administration Performance Appraisal Integrated System (SIADAP) and the Portuguese civil servants perceptions. *International Journal of Public Administration*. 44 (4), 300-310

Further information on publisher's website:

10.1080/01900692.2020.1719510

Publisher's copyright statement:

This is the peer reviewed version of the following article: Madureira, C., Rando, B. & Ferraz, D. (2021). The Public Administration Performance Appraisal Integrated System (SIADAP) and the Portuguese civil servants perceptions. *International Journal of Public Administration*. 44 (4), 300-310, which has been published in final form at <https://dx.doi.org/10.1080/01900692.2020.1719510>. This article may be used for non-commercial purposes in accordance with the Publisher's Terms and Conditions for self-archiving.

---

### Use policy

Creative Commons CC BY 4.0

The full-text may be used and/or reproduced, and given to third parties in any format or medium, without prior permission or charge, for personal research or study, educational, or not-for-profit purposes provided that:

- a full bibliographic reference is made to the original source
- a link is made to the metadata record in the Repository
- the full-text is not changed in any way

The full-text must not be sold in any format or medium without the formal permission of the copyright holders.

---

# **The Public Administration Performance Appraisal Integrated System (SIADAP) and the Portuguese civil servants perceptions**

César Madureira, ISCTE – University Institute of Lisbon and Lusíada University of Lisbon

[cesar.nuno.madureira@iscte-iul.pt](mailto:cesar.nuno.madureira@iscte-iul.pt)

Belén Rando, Universidade Europeia of Lisbon

David Ferraz, ISCTE – University Institute of Lisbon

## **Abstract**

As part of managerial reform process, in 2004 the Public Administration Performance Appraisal Integrated System (SIADAP) was set up in Portugal. This study aimed to analyze the perceptions of Portuguese civil servants on this appraisal system. A second drive was to understand how those perceptions change depending on what extent the model is perceived as fair or not. A survey was carried out and data were collected from 2066 civil servants, including managers. The results show very negative perceptions, in particular regarding SIADAP's objectivity, transparency and fairness. Also, Kruskal-Wallis tests and post-hoc paired comparisons reveal that civil servants who see the system as "unfair" tend to have more negative perceptions on it than those who see it as "fair" or those who are not sure about the fairness of the system.

## **Keywords**

Public Administration, Performance Appraisal, Perceptions, New Public Management

## **Introduction**

At the beginning of the 21st century, the New Public Management (NPM) principles had already spread to public administrations around the world, stressing the importance of promoting a focus on individual performance assessment models (Mutereko & Ruffin, 2018). Since then, the use of performance evaluation has become a key tool in most governance reform processes at a global level (Reynaud & Todescat, 2017, Askim, Christensen & Laegreid, 2015), as has already been the case in the private sector where performance evaluation has been an increasingly used tool for measuring, comparing, distinguishing and increasing performances over the last decades (Yasin & Gomes, 2010; Dejours, 2003; Ilgen, Barnes-Farell & McKellin, 1993).

As in other countries, the main reform measures implemented in Portugal since the 1990s have been marked by the principles and philosophy of NPM (Rocha, 2009; Madureira & Ferraz, 2010; Madureira, 2015). As often happens in the reform dynamics, aspects of pre-existing professional and organizational culture were disregarded (Verhoest, 2013). This was the case in Portugal where the flexibility of managerial principles collided with a culture deeply rooted in the so-called mechanistic bureaucracy described by Mintzberg (1982). It is in this context that the Public Administration Performance Appraisal Integrated System (SIADAP) is implemented in 2004. With slight changes, this system is still in force (Madureira, 2016)<sup>1</sup>. Based on a Management by Objectives logic, SIADAP intended to:

- set up a system for evaluating public administration Units performance (SIADAP1), managers performance (SIADAP2) and employees performance (SIADAP 3)<sup>2</sup>;
- build a system to assess the differentiation of merits, the degree of achievement of individual goals and the degree of development of behavioral competencies;
- create a system of quotas of merit for the ratings resulting from the assessments.

In accordance with the system of quotas of merit introduced by SIADAP, only 5% of employees can achieve an "Excellent Performance" and 20% a "Relevant Performance". The remaining 75% of employees cannot go beyond an "Adequate Performance" regardless of their effort and of the results achieved. With the introduction of SIADAP, the remuneration progression of public employees in Portugal has depended only on employee ratings stemming from this assessment system<sup>3</sup>. This progression has been very slow for most employees in the last 14 years. According to article 7, no. 156 of Law 35/2014, June 20, within the same category, access to a higher remuneration position must be guaranteed for all employees who have accumulated 10 points in the performance of their duties. For most workers who have an "Adequate performance" (ie the overwhelming majority), the waiting time to access a higher remuneration position is 10 years (1 point per year).

---

<sup>1</sup> The SIADAP is created by Law no. 10/2004, dated March 22. Law no. 66-B / 2007, of December 28, carries out some minor revisions.

<sup>2</sup> This article will focus on SIADAP 3. From here, whenever the expression SIADAP appears, we will be referring to SIADAP 3

<sup>3</sup> On this matter, consult Law No. 12-A / 2008, of February 27 and the General Labor Law in Public Functions (LGTFP) - Law nº35 / 2014 of June 20.

More than a decade has passed since the introduction of SIADAP in Portuguese public administration, the consequences of the implementation of this evaluation model remain unknown (Madureira, 2016). Indeed, the effects of SIADAP on the performance of public employees nor the employees and managers perceptions about the model are not known at the moment. To date, in addition to the research by Rego *et al* (2010), which suggests that the criteria used by SIADAP to evaluate workers are often not related to their real performance, only studies by Lira (2014) and Lira *et al* (2016) examined the effects of SIADAP through empirical analysis based on case studies with very small samples, concluding that most of the respondents tend to consider SIADAP as an unsatisfactory, inappropriate and unfair performance assessment system.

### **Theoretical framework: the performance appraisal (perceptions) in public administration**

#### ***Performance appraisal in public administration***

There are several studies in the literature suggesting that the existence of individual performance appraisal systems in the public sector generates benefits in organizational performance and productivity (Schay, 1988; Taylor & Pierce, 1999; Angiola & Bianchi, 2013; Harrington & Lee, 2015; Jann & Laegried, 2015). However, recent research points to new empirical evidence that such systems have produced unexpected effects, largely ignored to date. Some authors (Adher and Willis, 2005, Rego *et al.*, 2010, Dahler-Larsen, 2013, Kerpershoek *et al.*, 2016) noticed that performance evaluation systems in public administration have led to the loss of *a*) an holistic view of public services main activities and *b*) the interdependence between these public services and all those who work there.

Dahler-Larsen (2013) adds the notion that there are perverse effects of performance evaluation in public administration. These can result from factors such as *a*) the subversion of the evaluation by the evaluators (whom, as a rule, do not suffer any consequences, even if their evaluations are arbitrary or uncritical), *b*) the fulfillment of individual objectives (by those who are evaluated) disregarding the unit/organization preservation and improvement, and *c*) the misrepresentation of the context and singularities in which the evaluated work is carried out.

Some other studies point out that individual performance assessment is often responsible for the development of individualism, for feelings of injustice, demotivation and burnout (Forrester, 2010)

and finally for data manipulation in order to increase self-credit and avoid punishment (Dahler-Larsen, 2013).

Rego *et al* (2010) state that in performance appraisal systems based on rigid quotas, such as SIADAP, there may be high performance departments in which many workers will have lower ratings, while in departments with low overall performance there will always be some workers with undeserved high ratings in order to fill the quotas. This undermines the system's credibility by fostering amongst workers the feeling that their rating does not depend on their effort or performance but on a number of other discretionary factors.

Another aspect that deserves particular attention is the fact that since the beginning of the 21st century, wage differentiation in public administration on the basis of performance appraisals has emerged as a new management paradigm and tool in western countries (OECD, 2005). It was then assumed that this remuneration model would lead to greater public workers accountability and motivation. However, numerous surveys have enumerate the risks inherent to this differentiation model.

Diverse authors claim that the practice of remuneration progression based on individual performance has created different problems and difficulties. Some studies (Katula & Perry, 2003; Cardona, 2007) have pointed to the ambiguity, limitation, and inconclusiveness of the effects of wage differentiation in the public sector on the basis of individual performance appraisals. Two other authors (Villa, 2009; De Vries, 2010) point out that, when only the individual employees commitment is rewarded, there is an indirect devaluation of the need for individuals to engage in a collective system of efforts with a view to respond to organizational challenges, and above all to contribute to the correct implementation and monitoring of public policies, not measurable through traditional performance evaluation. This research confirm the findings of Emery & Giaouque (2001) and Emery (2004) who argue that, although at a first glance the indexation of remuneration to performance arises with the aim of strengthening the entrepreneurial spirit of public employees, it can be subverted by technical, financial or cultural problems arising from the specific context of the public sector.

According to other authors (Adcroft & Willis, 2005, Kerpershoek et al., 2016; Mutereko & Ruffin, 2018), the excessive relationship between performance evaluation and wage progression in the public sector may even result in “quasi-commercial” interactions among citizens, employees and

managers, undermining the professional behavior of employees. Rousell (2000) even adds that the aim of any public organization is to function well, to ensure quality services to citizens and not to reward individual merit.

Although Yang & Choi (2009) argue that improving performance requires setting up conditions that promote teamwork and autonomy, the models of public management have essentially encouraged individualism, selfishness and competition, at the expense of encouraging cooperation, collaboration and team spirit (Roussel, 2000). As evidenced by Campbell et al. (1998) and Emery (2001), the fact that evaluation is essentially focused on the individual, created difficulties for public managers to encourage and reward teams rather than individuals. This model can create silently obstacles to actions aimed at encouraging cooperation or the sharing of information and knowledge. In addition, as reported by Jurkiewicz et al. (1998) and Rashid & Rashid (2012), given the nature of the context in which Public Administration operates and the values that it is obliged to pursue, financial incentives in the public sector will always have different effects from financial incentives in the private sector. In this sense, the authors suggest that motivation management in Public Administration should aim at the satisfaction of some of the public workers aspirations, such as flexible or reduced working hours, better equipment, work resources and skill development opportunities, or more vacation days, and not by awarding financial prizes.

### **Performance appraisal employee perceptions**

As in the private sector, at least theoretically, performance evaluation in the public administration context implies the evaluation of the employees' work by its manager(s) with the purpose of improving individual performance (Murphy & Cleveland, 1991; Murphy & Cleveland, 1995; Kim & Holzer, 2016). This evaluation can bring positive results (productivity premiums, faster career progression) or negative (penalties, slower career progression) for those who are evaluated. These results will, of course, influence the involvement of workers with the performance appraisal system according to how they perceive it as fair or unfair and positive or negative (Kim & Holzer, 2016).

Some studies have emphasized that, since attitudes/perceptions will influence workers behaviors, acceptance of performance evaluation systems by those who are evaluated (both, employees or managers) is absolutely essential to their success and effectiveness (Kim & Rubianty, 2011; Roberts, 2003).

Although, as we mentioned above, there are studies that point to the advantages of the existence of performance evaluation systems in public administrations, the literature has often ignored the importance of how they are perceived by managers and employees, as well as their consequences on performance (Harrington & Lee, 2015; Naeem, Jamal & Riaz, 2017).

It is precisely in this sense that Sheldon & Sowa (2011) affirm that for a good use of performance evaluation it is not enough that the evaluation system is technically adequate for the organization. Above all it is fundamental that evaluated and evaluators perceive correctly the way the evaluation system works and its consequences. On the other hand, even if the organization can build a seemingly fair and adequate performance evaluation model, if it is not accepted by employees its success will always be weakened (Murphy & Cleveland, 1995; Keeping & Levy, 2000).

In the public sector this idea is reinforced by a comparative study of individual performance appraisal systems in the local governments of Great Britain, France, Sweden and Germany in which Kuhlman (2010) emphasizes that an evaluation brings beneficial organizational effects only when its instruments are framed by a culture of transparency and acceptance by all. According to this study, when mandatory, centralized, highly standardized, and top-to-bottom imposed procedures, evaluations become costly without having the desired effects. Aligned with this are the findings of Lipsky (2010).

More recently, Kim (2016) and Kim & Holzer (2016) have highlighted the importance of the perceptions of those who are evaluated, as determinants in the success of public performance assessment systems, and even pointed out that the effectiveness of pay-for-performance is deeply influenced by the employees perceived fairness of performance appraisal. This idea has been gaining consistency over the past three decades. In fact, at the end of the 20th century, Greenberg (1986) and Cawley *et al* (1996) already argued that the acceptance of performance assessment is essentially related to the perception of justice by those who are evaluated. Further, when those under evaluation perceive the evaluation as fair, they tend to view performance evaluation as legitimate and necessary to improve. The recent Harrington & Lee study (2015) also emphasizes the importance of fulfilling the psychological contract (viewed as a set of expectations of employers and employees relative to each other) in how employees perceive the fairness of performance appraisal systems. In the words of the authors, fulfillment with the psychological

contract has a positive impact on the perceived fairness of the employees regarding performance evaluation systems.

In fact, literature suggests, on the one hand, that the psychological contract is a core element in the setup of relationships of trust between those who evaluate and those who are evaluated, and on the other, that there is a positive relationship between employee mistrust about the accuracy and fairness of performance appraisal and their negative perceptions with regard to noncompliance of psychological contract (Guest, 2004; Maley, 2009; Harrington & Lee, 2015).

The aim of this study was to analyze the perceptions of Portuguese civil servants regarding the SIADAP model in order to get a better comprehension of the effects of the model on workers and on their performance. A second drive of this research was to understand how civil servants perceptions change depending on to which extent the model is perceived as fair. Regarding the second drive, the following hypotheses were formulated, taking into account the literature review:

*H1: Civil servants perception on the importance of performance evaluation varies according to their perception of SIADAP's model fairness*

*H2: The credibility of the SIADAP model varies according to the civil servants' perception of SIADAP's fairness.*

*H3: Civil servants perception of SIADAP's application effects changes according to their perception of the fairness of SIADAP' evaluation*

*H4: Civil servants perception on the psychological contract is different according to the perception of the fairness of SIADAP's evaluation*

## **Data and Methods**

### ***Sample***

A sample of 2066 civil servants (including managers), 1410 female and 656 male, participated in this research. All of them are currently working in Portuguese Central Public Administration. Participants ages vary between 20 and 68 years old ( $M= 49.81$ ;  $SD= 7.33$ ) and most of them have a university degree (61,9% with a graduation and 14.4% with a Master or PhD degree). More than 85% of participants work in Public Administration for 15 years or more, and 10% have manager positions.



### ***Instrument and measures***

The data were collected through a survey addressed to all public employees and managers of Portuguese central public administration. Respondents were asked to rank their answers in a 4-point or 5-point Likert-like scale. Lowest points indicated negative perceptions or attitudes and highest points revealed positive perceptions or attitudes.

The survey was sent electronically (through online survey tool) by the General-Secretary of the Ministry of Finance to all ministries with the request that they send the survey to all employees and managers of Portuguese central public administration. Data were collected by May 2018.

### **Findings/Results**

#### ***Descriptive analysis findings***

The main results show that a majority of respondents consider using a performance appraisal system as important or very important (89%).

However, the SIADAP model is not perceived as credible. On the one hand, 64.1% of respondents believe that the model is inadequate or very inadequate. In addition, 80.7% and 81.3% of respondents disagree partially or totally with the existence of objectivity and transparency in the process of evaluating individual performance through SIADAP, respectively. Concerning the perception of fairness, it should be pointed out that almost all the people surveyed (90.8%) disagree partially or totally with the idea that SIADAP is a fair system. The existing quota system is also heavily criticized (93.4% of respondents are partially or totally against its existence).

More specifically, the respondents were asked about their perception of the way they have been assessed by SIADAP through three questions. The first question asked whether the respondents had felt judged fairly, the second whether they had benefited from the evaluation and the last question asked whether they had felt harmed. Only 21.2% of respondents say they felt they were fairly evaluated, almost half (48%) said they had not been evaluated fairly and 30.8% had doubts about the fairness of their evaluations. Only 3.6% of respondents think they have benefited from evaluation. Finally, about half of the respondents (52.7%) reported having been harmed in the evaluation, 22.7% have doubts about this, leaving 24.6% who declare not to have been harmed.

On the other hand, only 7.4% of respondents feel that they participate in setting their own goals. This result may explain that 83.3% expressed a desire to participate more in setting their objectives.

Since the survey pointed to four particular parameters of evaluation in the SIADAP model, it was important to identify which of these parameters contributed more to a perception of fairness. Of these parameters (set of goals, fixed competences, quota system and evaluator's role) the quota system is clearly among civil servants the most consensual factor in that it does not benefit them (80.3%) but, on the contrary, penalizes them (66.3%).

One of the purposes of SIADAP was to create a system of merit distinction. For this reason, it was important to know if civil servants perceive it as a model that really contributes to this distinction. The majority of respondents (75.3%) consider unfair the way the differentiation of merit is applied in public institutions they are working in, so we can say that it does not seem clear that SIADAP is fulfilling this purpose.

With regard to the effects of the evaluation through SIADAP model, in relation to career progression, 66.3% of respondents disagree partially or totally with the idea that SIADAP favors this type of progression. Regarding the remuneration progression, 62.4% of respondents disagree with the model and 69.9% believe that the salary progression should not depend only on the results of SIADAP.

Regarding other effects, it is verified that after knowing the result of their evaluation, 40.1% of respondents do not sense any change in their motivation and 43.5% have felt unmotivated. With regard to the effect on performance, an overwhelming majority (86.1%) did not change their performance after knowing the result of the evaluation.

To the question of whether SIADAP contributes to mutual aid in teamwork, almost all respondents (90%) believe that it does not (partially or totally). For the majority (76.4%) it contributes to individualism.

Based on the concept of psychological contract, two questions were asked, one about the fulfillment of expectations regarding the institution/organization in which they perform their jobs and another about the relationship of reciprocity with that institution. According to the results, only 36.5% of respondents consider (partially or totally) that the initial expectations are being fulfilled. On the other hand, a large majority (85.6%) feels that it invests more than it receives from the institution, perceiving an imbalance in the exchange of obligations-compensation with the institution.

When respondents were asked to maintain or change the current evaluation model, all respondents opted for partial (51.7%) or total (48.3%) replacement. None of the participants in the study would maintain the current SIAPAP model, the sole question that has had an unanimous response.

Given the suggestion of other evaluation parameters that could be included in a different appraisal model, respondents chose teamwork appraisal instead of individual (89.1%), attendance (86.1%), punctuality (76.4%) and seniority (62.4%). When other ways of rewarding good performance were suggested, the responses were: an increase in the number of vacation days (50.2%), the awarding of team prizes (45.1%), the flexibilization of schedules (24.9%) and the reduction of working hours (13.3%).

Finally, in the group of respondents who revealed the classification obtained in the last evaluation by SIADAP, 59.8% got "adequate" and 35.6% got "relevant", with the other classifications being residual.

### ***Inferential analysis results***

A second drive of the present study was to assess how the perceptions listed above change according to the respondent's own ratings obtained through SIADAP. In particular if they think they have been evaluated in a "fair" or in an "unfair" way or they don't know ("not sure") how fair or unfair they have been evaluated.

For this purpose the following question was previously selected "In general, do you feel you have been evaluated fairly, up to the present time?" The analysis were performed considering this grouping variable, with the levels "Yes", "No" and "Do not know", according to the possible response options. So, three groups were compared: those who said "Yes" (hereafter referred as "fair" group), those who answered "No" (hereafter referred as "unfair" group) and the group who answered "Don't Know" (hereafter referred as "not sure" group). The IBM SPSS Statistics 22.0 was used for analysis.

Before proceeding with the inferential analysis, cross tabulations were made between this variable and socio-demographic variables to test if the distribution of fairness perception responses varies according to gender, age, education level, seniority/antiquity in Public Administration and in the current workplace, the type of bond, the career and the performance of managerial positions. For this, the Chi-square test of independence was applied, which revealed that there is no difference in

the distribution of the answers according to gender ( $\chi^2(2) = 152, p = .927$ ), age ( $\chi^2(4) = 4.91, p = .297$ ) and antiquity in the current workplace ( $\chi^2(4) = 6.82, p = .146$ ). However, the answers distribution changes according to the education level ( $\chi^2(6) = 14.99, p = .020$ ) and the performance of managerial positions ( $\chi^2(2) = 45.72, p < .001$ ). In fact, the more respondents rise in the education level, the more they look at their evaluation as unfair. Civil servants with managerial positions have a greater tendency to consider evaluations as “fair”.

Subsequently, Kruskal-Wallis tests were performed since response variables were measured with a Likert-like scale with only 4-point or 5-point. Also, parametric requirements were explored for each variable as a function of the independent variable and they were not fulfilled (see table 1 for the results from Kruskal-Wallis tests and post-hoc paired comparisons using Mann-Whitney test with Bonferroni correction ( $\alpha = .016$  for each contrast)). As mentioned above, the groups are hereafter referred as “fair”, “unfair” and “not sure” group, respectively. It should be recalled that the "fair" group represents 21.2% of respondents, the "unfair" group consists of almost half of respondents (48%) and the "not sure" group brings together the remaining 30.8% of the participants in the study.

As we observe in table 1, there are statistically significant differences among the groups for all analyzed variables, in other words Kruskal-Wallis tests reveal that the distribution of the ranks among the groups is different. Also, pair comparisons reveal that in relation to almost all variables there are significant differences between the three groups, that is, the groups show differences in their perceptions and preferences about SIADAP (see mean ranks in table 1).

**Table 1. Kruskal-Wallis test and post-hoc paired comparisons with Bonferroni correction ( $\alpha = .016$  for each contrast)**

Variables	Mean Rank  (Fair/Unfair/Not Sure)	Kruskal-Wallis Test	Post-hoc Paired Comparisons
			(Fair-Unfair/ Sure/ Unfair- Not Sure)
<b>Perceptions about performance appraisal importance</b>			
1. Perceptions about performance appraisal importance	1111.75 981.78 1060.15	$\chi^2(2) = 20.06, p < .001$	Fair-Unfair ( $p < .001$ ) Fair-Not Sure ( $p = .108$ ) Unfair-Not Sure ( $p = .004$ )
<b>SIADAP's credibility</b>			

2. Adequacy perception	1375.27 822.84 1126.23	$\chi^2(2)=325.95, p<.001$	Fair-Unfair (p<.001) Fair-Not Sure (p<.001) Unfair-Not Sure (p<.001)
3. Objectivity perception	1204.97 838.58 1037.59	$\chi^2(2)=152.10, p<.001$	Fair-Unfair (p<.001) Fair-Not Sure (p<.001) Unfair-Not Sure (p<.001)
4. Transparency perception	1293.89 777.21 1076.80	$\chi^2(2)=310.30, p<.001$	Fair-Unfair (p<.001) Fair-Not Sure (p<.001) Unfair-Not Sure (p<.001)
5. Participation in setting goals perception	1261.64 842.39 1041.78	$\chi^2(2)=178.42, p<.001$	Fair-Unfair (p<.001) Fair-Not Sure (p<.001) Unfair-Not Sure (p<.001)
6. Willingness to enhance own participation on setting the objectives	814.70 1072.82 916.02	$\chi^2(2)=84.01, p<.001$	Fair-Unfair (p<.001) Fair-Not Sure (p=.001) Unfair-Not Sure (p<.001)
7. Justice/fairness perception	1337.98 786.56 1087.32	$\chi^2(2)=361.75, p<.001$	Fair-Unfair (p<.001) Fair-Not Sure (p<.001) Unfair-Not Sure (p<.001)
8. Adequacy of quota system perception	1183.37 843.90 1039.45	$\chi^2(2)=159.65, p<.001$	Fair-Unfair (p<.001) Fair-Not Sure (p<.001) Unfair-Not Sure (p<.001)
9. Perception on SIADAP's contribution to reward the best collaborators	1439.12 789.14 1134.75	$\chi^2(2)=441.10, p<.001$	Fair-Unfair (p<.001) Fair-Not Sure (p<.001) Unfair-Not Sure (p<.001)
10. Perception of justice in the award of merit distinction	1339.81 882.74 1057.43	$\chi^2(2)=322.37, p<.001$	Fair-Unfair (p<.001) Fair-Not Sure (p<.001) Unfair-Not Sure (p<.001)
<b>Perceptions about the effects resulting from SIADAP's application</b>			
11. Career progression as a result of SIADAP's application	1260.90 823.95	$\chi^2(2)=198.64, p<.001$	Fair-Unfair (p<.001) Fair-Not Sure (p<.001) Unfair-Not Sure (p<.001)
12. Remuneration progression as a result of SIADAP's application	1028.64 1251.73 834.30	$\chi^2(2)=182.08, p<.001$	Fair-Unfair (p<.001) Fair-Not Sure (p<.001) Unfair-Not Sure (p<.001)
13. Opinion on the relationship of dependence between SIADAP and the progression of remuneration	1047.16 1184.89 917.85	$\chi^2(2)=11.60, p=.003$	Fair-Unfair (p<.001) Fair-Not Sure (p<.001) Unfair-Not Sure (p<.001)
14. Motivation degree after knowing the score/rating of performance evaluation	1049.28 1588.44	$\chi^2(2)=779.05, p<.001$	Fair-Unfair (p<.001)

15. Performance quality after knowing the score/rating of performance evaluation	706.36	$\chi^2(2)=172.44, p<.001$	Fair-Not Sure (p<.001)
	1160.80		Unfair-Not Sure (p<.001)
16.SIADAP's contribution to mutual aid in the team	1203.34	$\chi^2(2)=175.87, p<.001$	Fair-Unfair (p<.001)
	938.42		Fair-Not Sure (p<.001)
17. SIADAP's contribution to individualism in the team	1064.63	$\chi^2(2)=39.70, p<.001$	Unfair-Not Sure (p<.001)
	1186.52		Fair-Unfair (p<.001)
	827.41		Fair-Not Sure (p<.001)
	1079.84		Unfair-Not Sure (p<.001)
	835.94		Fair-Unfair (p<.001)
	1024.98		Fair-Not Sure (p=.001)
	936.07		Unfair-Not Sure (p=.001)
<b>Perceptions regarding "Psychological contract"</b>			
18.Perception on the fulfillment of expectations in relation to the Institution	1285.58	$\chi^2(2)=271.86, p<.001$	Fair-Unfair (p<.001)
	782.58		Fair-Not Sure (p<.001)
	1025.24		Unfair-Not Sure (p<.001)
19.Perception about the equity in the relationship with the Institution (1)	792.15	$\chi^2(2)=122.66, p<.001$	Fair-Unfair (p<.001)
	1086.00		Fair-Not Sure (p=.018)
	863.28		Unfair-Not Sure (p<.001)
<b>Rating obtained in last SIADAP evaluation</b>			
20. Rating obtained in last SIADAP evaluation	1281.32	$\chi^2(2)=337.93, p<.001$	Fair-Unfair (p<.001)
	771.32		Fair-Not Sure (p<.001)
	968.65		Unfair-Not Sure (p<.001)

Notes: (1) Workers must answer if they disagree or agree with the statement "I feel I give more to the institution than the institution gives to me".

In the perception of performance appraisal importance there are no statistically significant differences between the "fair" and "not sure" groups. However, differences are observed between the "fair" and "unfair" groups and the "unfair" and "not sure" groups, being the "unfair" group the one that tends slightly to consider the performance evaluation less important.

In the case of issues related to SIADAP's credibility, all groups differ. The pattern of results is always the same, except for the need to participate more in goal setting, where the pattern reverses. Thus, the "fair" group tends to make more positive assessments about the adequacy of SIADAP, its objectivity and transparency in its application. This group tends to think that it participates in setting goals, to perceive the system as a whole as fair and to see the existing quota system as appropriate. Likewise, in the "fair" group there is a greater tendency to perceive that SIADAP

really contributes to reward the best employees and that the award of merit in the workplace is fair. In relation to all variables listed, the "unfair" group tends to make less positive evaluations and feels the need to participate more in goal setting. The mean ranks of "not sure" group are systematically located between the other two groups. These results are interesting since the "not sure" group could have perceptions more similar to the "unfair" group or even the "fair" group. However, it emerges as a group with its own profile of perceptions regarding the credibility of the system, always carrying out evaluations that fall between those of the other two groups.

When the perceptions on SIADAP's application effects are analyzed, the pattern repeats itself again. There are differences between the three groups and it is again the "fair" group that shows a greater support to a dependence between SIADAP and remuneration progression, to affirm a higher motivation and a better performance after knowing its ranking, and to evidence the belief that SIADAP contributes to mutual aid rather than individualism.

The "unfair" group comes up with less positive evaluations on all these variables and again the "not sure" group reveals a position between the other two groups. It should be noted that the mean ranks corresponding to motivation are particularly more distant from each other. This indicates a greater difference between the groups in the degree of motivation experienced after knowing the result of the evaluation, which we remind is experienced by half of the respondents as unfair.

With regard to perceptions related to the psychological contract, once again the "fair" group emerges with the highest position regarding the fulfillment of expectations and equity in the relationship with the institution, while the "unfair" and "not sure" groups take a lower and intermediate position, respectively. But the comparison between "fair" and "not sure" groups is not significant, though close to significance. With regard to equity in the relationship with the institution, it should be recalled that responses with lower scores reveal a more equitable appreciation.

To conclude, the groups differ in the rankings obtained in the last evaluation, with a tendency to have higher rankings in the "fair" group and lower in the "unfair" group. As usual the "not sure" group rank is between the other two groups.

## **Discussion**

The research results reveal that most of the respondents agree with the importance of using a performance appraisal system for Public Administration, confirming the literature that defends the importance of individual performance appraisal systems in the public sector (Schay, 1988; Taylor & Pierce, 1999; Angiola & Bianchi, 2013; Harrington & Lee, 2015; Jann & Laegried, 2015).

However, most of the respondents also consider SIADAP as not very credible and unreliable. In particular, they see it as inadequate, with a considerable lack of objectivity and transparency. So, it is not surprising that more than 90% of respondents consider that this system is unfair. In fact, few people said they felt judged fairly. The quota system is also criticized, not only because almost all respondents see it as inadequate, but also because those who believe they have been harmed in their assessments have little doubt that the quota system has been a penalizing parameter. Importantly, also the civil servants who think they have benefited from the evaluations consider the quota system as a non-benefiting parameter. All these results suggest a lack of acceptance of SIADAP which according to the findings of several authors (Murphy & Cleveland, 1995; Keeping & Levy, 2000; Roberts (2003); Kulman, 2010; Lipsky, 2010 and Kim & Rubianty, 2011) will lead to a failure of the performance appraisal system itself.

In addition, SIADAP is not perceived by the majority of respondents as a differentiating system of merit, because it does not always reward the best employees. Perhaps that is the reason why many people think that the award of merit distinction is unfair in their institution.

According to previous findings such as Forrester's (2010), feelings of unfairness will be associated with progressive processes of demotivation and burn-out. This could explain that few civil servants showed they were motivated to improve their performance after knowing their evaluation, while higher percentages of respondents showed no impact on motivation and performance. This finding could be interpreted as an apparent apathy or indifference to a system that does not favor career progression or remuneration progression for more than half of its employees. As previously mentioned, the success of a performance appraisal model is always compromised if there are doubts about its functioning and the consequences of its application (Shelden & Sowa, 2011).

From civil servants perceptions, it can also be seen that some of the consequences of SIADAP are not particularly positive, since the system affects working relations, contributing to individualism and not to mutual aid within the work teams (see Campbell et al, 1998; Roussel, 2000; Emery,



2001). As pointed by Yang & Choi (2009) this situation does not contribute to improve performances.

In the context described, the breakdown of the psychological contract with the institution emerges as a natural consequence. Indeed, this is suggested by our results on the non-fulfillment of expectations and on the imbalance in the exchange of compensation obligations between the civil servant and the institution in which he is working. **These findings are in line with those presented by Harrington and Lee (2015).**

Perhaps these findings can explain the reason why all respondents (including managers) would prefer to change partially or totally the current model of performance appraisal in the Portuguese Public Administration.

As for the comparative study between civil servants who feel they are fairly evaluated (only 21% of respondents), those who feel unfairly evaluated and those who do not know if they have been evaluated fairly or not, two hypotheses are confirmed and the other two hypotheses are partially confirmed, taking into account the three groups compared.

In relation to the hypotheses H1, which predicted that *civil servants' perception on the importance of performance evaluation varies according to the perception of SIADAP's model fairness*, there were no statistically significant differences between "fair" and "not sure" groups. However, there are differences between the "fair" and "unfair" groups and the "unfair" and "not sure" groups, being the "unfair" group that tends slightly to consider the performance evaluation less important. These facts allow us to state that the hypothesis is partially confirmed.

The results confirm the H2 since the "unfair" group tends to have more negative perceptions on the whole of the analyzed credibility variables than the "fair" and the "not sure" groups. **Indeed, public employees who consider SIADAP unfair have a negative perception of what they consider to be an unreliable (not credible) performance appraisal system, which contributes to their lower acceptance of the system. According to the previous findings of Murphy & Cleveland (1995), Keeping & Levy (2000), Roberts (2003) and Kim & Rubianty (2011) this low acceptance of the existing performance appraisal system will always weaken its performance success.**

The H3 is also confirmed by the fact that the "unfair" group appears with more negative opinions concerning all variables aimed at measuring perceptions of SIADAP's application effects. This is

true for aspects such as career progression, remuneration progression, motivation or quality of performance, considered by this group to be adversely affected by SIADAP.

It is important to notice that recently Kim (2016) and Kim & Holzer (2016) pointed out the perceptions of those who are evaluated as fundamental to the success of performance appraisal systems, having even concluded that the effectiveness of pay-for-performance system is deeply influenced by employees perceived fairness of performance appraisal.

With respect to hypotheses H4, perceptions of the “unfair” group on the psychological contract were quite different from those of the "fair" group, emphasizing the non-fulfillment of expectations. Nevertheless, there were no differences between the “fair” and the “not sure” groups concerning the lack of equity in the relationship between civil servants and public institutions they are working in. So, the H4 is partially confirmed, taking into account the groups compared in the present study. Despite this, these results seem to confirm the findings of Guest (2004), Maley (2009) and Harrington & Lee (2015), which emphasize the positive relationship between the workers' disbelief in fairness and the negative perceptions on psychological contract.

Notice that differences were always found between the “fair” and the “unfair” groups, concerning the four hypotheses, including those partially confirmed.

## **Conclusions**

Despite the SIADAP being in line with NPM principles, the introduction of this system in Portuguese Public Administration **disregarded aspects of pre-existing professional and organizational culture (Verhoest, 2013)** and collided with a culture of mechanistic bureaucracy that is not yet open to a philosophy of management by objectives (Madureira, 2016). In addition, as it has been proven, most of the civil servants who participated in the present study tend to perceive the SIADAP's model as unfair, not objective and not transparent, with a quota system that tends to limit the pace of career and remuneration progression. As a result, most civil servants do not identify themselves with it and therefore tend not to accept the model (Kuhlman, 2010).

It is also important to note that an expressive majority perceives SIADAP as a system that promotes individualism and at the same time exerts a detrimental effect on mutual aid and team work. Since it is evident that an adequate implementation of public policies depends to a large extent on a

collective system of knowledge and information shared within public bodies, fostering individualism appears here as a particularly worrying fact.

This empirical study has undoubtedly demonstrated that most civil servants have a global negative view of SIADAP. The second part of the research revealed that the feeling of "fair / unfair / not sure" has a differentiating effect on civil servants' perceptions. When they feel that they have been judged fairly, they tend to have more positive perceptions than when they have doubts about it or when they feel they have been judged unfairly. Therefore, it is important to ensure that the performance appraisal model is not only fair but also perceived as such. Taking into account the results presented by the research, there is enough information to rethink the performance appraisal model in Portuguese Public Administration.

As explained in the introduction, regardless of the quality of their performance, due to the quota system, 75% of public employees cannot aspire to go beyond "adequate performance". This implies that their career progression will take place very slowly. In such a context, as pointed out in this paper, it is very difficult to keep public employees motivated. The feeling of an unfair evaluation and the negative perceptions on psychological contract will probably tend to contribute to an increasingly negative commitment between these employees and the public institutions where they work.

Therefore, we think that there would be advantages in replacing the current system of performance appraisal with one that is in accordance with the organizational and professional culture of the Portuguese public administration, so that it can be considered fairer and thus achieve greater acceptance by evaluated public employees. Alternatively, SIADAP can re-analyze the quota system, making it more open and thereby allowing more people to access higher ratings (relevant or excellent). If this happens, it is probable that many Portuguese public employees will no longer perceive the appraisal system as unfair and it is very likely that these same employees will increasingly feel like striving to improve their performance.

## References

- Adcroft, A. & Willis, R. (2005). The (un)intended outcome of public sector performance measurement, *International Journal of Public Sector Management*, 18(5), 386-400.

- Angiola, N. & Bianchi, P. (2013). Public managers' skills development for effective performance management: Empirical evidence from Italian local governments, *Public Management Review*, 17(4), 517-542.
- Askim, J., Chistensen T., & Laegreid, P. (2015). Accountability and performance management: The Norwegian hospital, welfare, and immigration administration, *International Journal of Public Administration*, 38, 971-982.
- Campbell, D.J., Campbell, K.M. & Chia, H (1998). Merit Pay, Performance Appraisal and Individual Motivation: an analysis and alternative, *Human Resources Management*, 37(2), 131-146.
- Cardona, F. (2007). *Performance Related Pay in the Public Service in OECD and EU Member States*, SIGMA/OCDE
- Cawley, B.D., Keeping, L.M. & Levy, P.E. (1998). Participation in performance appraisal process and employee reactions: a meta-analytic review of field investigations, *Journal of Applied Psychology*, 83, 615-633.
- Dahler-Larsen, P. (2013). Constitutive effects of performance indicators: getting beyond unintended consequences, *Public Management Review*, 16(7), 969-986.
- Dejours, C. (2003). *L'évaluation du travail à l'épreuve du réel*, Paris, INRA.
- Emery, Y. & Giaque, D. (2001). New Public Management, Service Contracts and Financial Incentive Schemes: Practice and Problems Encountered in Switzerland, *International Review of Administrative Sciences*, 67(1), 171-194.
- Emery, Y. (2004). Rewarding civil service performance through team bonuses: findings, analysis and recommendations, *International Review of Administrative Sciences*, 70(1), 157-168.
- Forrester, G. (2010). Performance-related pay for teachers : an examination of the underlying objectives and its application in practice, *Public Management Review*, 3(4), 617-625.
- Guest, D.E. (2004). The psychological of the employment relationship: An analysis based on the psychological contract, *Applied Psychology*, 53, 541-555.
- Greenberg, J. (1986). Determinants of perceived fairness in performance evaluation, *Journal of Applied Psychology*, 71, 340-342.
- Harrington, J.R. & Lee, J.H. (2015). What drives perceived fairness of performance appraisal? Exploring the effects of psychological contract fulfillment on employees' perceived fairness of performance appraisal of performance appraisal in U.S. Federal Agencies, *Public Personnel Management*, 44(2), 214-238.
- Ilgen, D.R., Barnes-Farrell, J.L. & Mckellin, D.B. (1993). Performance appraisal process research in the 1980s: What has contributed to appraisals in use? *Organizational Behavior and Human Decision Processes*, 54, 321-368.

- Jann, W. & Laegried, P. (2015). Reforming the welfare state: accountability, management and performance, *International Journal of Public Administration*, 38(13-14), 941-946.
- Jurkiewicz, C.L., Massey, T.K. & Brown, R.G. (1998). Motivation in Public and Private Organizations, *Public Productivity and Management Review*, 21(3), 230-250.
- Katula, M. & Perry, J.L. (2003). Comparative performance pay, in B. Guy Peters, & J. Pierre (eds.), *Handbook of Public Administration*, London, Sage Publications, 53-61.
- Kerpershoek, E., Groenleer, M. & de Bruijn, H. (2016). Unintended responses to performance management in dutch hospital care: bringing together the managerial and professional perspectives, *Public Management Review*, 18 (3), 417-436.
- Keeping, L.M. & Levy, P.E. (2000). Performance appraisal reactions: measurement, modeling and method bias, *Journal of Applied Psychology*, 85, 708-723.
- Kim, J. (2016). Impact of Performance Appraisal Justice on the Effectiveness of Pay-for-Performance Systems After Civil Service Reform, *Public Personnel Management*, 45(2), 148-170.
- Kim, S.E. & Rubianty, D. (2011). Perceived fairness of performance appraisals in the federal government: does it matter? *Review of Public Personnel Administration*, 31 (4), 329-348.
- Kim, T. & Holzer, M. (2016). Public Employees and Performance Appraisal: A Study of Antecedents to Employees' Perception of the Process, *Review of Public Personnel Administration*, 36(1), 31-56.
- Kuhlman, S. (2010). Performance measurement in European local governments: a comparative analysis of reform experiences in Great Britain, France, Sweden and Germany, *International review of Administrative Sciences*, 76(2), 331-345.
- Lipsky, (2010). *Street-level bureaucracy: Dilemmas of the individual in public service, 30 th anniversary expanded edition*, New York, Russell Sage Foundation.
- Lira, M., Silva, V.P.G. & Viseu, C. (2016). Performance Appraisal as a Motivational Tool in the Portuguese Public Administration, *Portuguese Journal of Finance, Management and Accounting*, 2(3), 91-118.
- Lira, M. (2014). Satisfaction with a performance appraisal system in the portuguese public sector: the importance of perceptions of justice and accuracy, *Tékhné*, 12(1), 30-37.
- Madureira, C. (2016). Sistema Integrado de Avaliação de Desempenho na Administração Pública portuguesa (SIADAP): balanço de uma década, *Revista Lusitana de Economia e Empresa*, 20, 171-194.
- Madureira, C. (2015). A Reforma da Administração Pública Central no Portugal democrático: do período pós-revolucionário à intervenção da Troika, *Revista de Administração Pública (RAP)*, 49(3), 547-562.

- Madureira, C. & Ferraz, D. (2010). The need of a XXI century governance paradigm for public administration – the specific case of Portugal, *Public Policy and Administration-Viesoji Politika ir Administravimas*, 31, 35-48.
- Maley, J.F. (2009). The influence of performance appraisal on the psychological contract of the in-patriate manager, *South African Journal of Human Resource Management*, 7(1), 100-109.
- Mintzberg, H. (1982). *Structure et dynamique des organisations*, Paris, Éditions d'Organisation.
- Murphy, K. R. & Cleveland, J. N. (1995). *Understanding performance appraisal: Social, organizational and goal-based perspectives*, Thousand Oaks, Sage.
- Murphy, K. R. & Cleveland, J. N. (1991). *Performance appraisal: An organisational perspective*, Boston, Allyn & Bacon.
- Mutereko, S. & Ruffin, F. (2018). Public Administration Dilemmas: An Analysis of Teacher's Perceptions of Effects of Performance Evaluation in Post-Colonial South Africa, *International Journal of Public Administration*, 41(1), 34-45.
- Naeem, M., Jamal, W. & Riaz, M. K. (2017). The Relationship of Employees' Performance Appraisal Satisfaction with Employees Outcomes: Evidence from Higher Educational Institutes, *FWU Journal of Social Sciences*, 11(2), 71-81.
- OECD (2005). *Trends in human resources management policies in OECD countries: An analysis of the results of the OECD survey on strategic human resources management*, Paris, OECD Publishing.
- Rashid S. & Rashid U. (2012). Work motivation differences between public and private sector, *American International Journal of Social Science*, 1(2), 24-33.
- Rego, A., Marques, C., Leal, S., Sousa, F. & Cunha, M.P. (2010). Psychological capital and performance of Portuguese civil servants exploring neutralizers in the context of an appraisal system, *The International Journal of Human Resource Management*, 21(9), 1531-1552.
- Reynaud, P.D. & Todescat, M. (2017). Avaliação de desempenho na esfera pública: estado da arte na literatura internacional e nacional, *REGE – Revista de Gestão*, 24, 85-96.
- Roberts, G.E. (2003). Employee performance appraisal system participation: a technique that works, *Public Personnel Management*, 32(1), 89-98.
- Rocha, J.A. (2009). *Gestão Pública e Modernização Administrativa*, Oeiras, Editora INA.
- Roussel, P. (2000). Salaire individualisé, rémunération au mérite: impasse ou avenir?, in J.M. Peretti and P. Roussel (eds.), *Les rémunérations*, Paris, Vuibert.
- Selden, S. & Sowa, J.E. (2011). Performance Management and Appraisal in Human Service Organizations: Management and Staff Perspectives, *Public Personnel Management*, 40(3), 251-264.

- Schay, B.W (1988). Effect of performance-contingent pay on employee attitudes, *Public Personnel Management*, 17(2), 237-250.
- Taylor P.J. & Pierce J.L. (1999). Effects of introducing a performance management system on employees' subsequent attitudes and effort, *Public Personnel Management*, 28(3), 423-452.
- Verhoest, K. (2013). Societal and organizational culture and public sector reforms in *Handbook de Administração Pública*, César Madureira & Maria Asensio (org), Oeiras, Editora INA, 51-74.
- Yang, S-B. & C., Sang Ok (2009). Employee empowerment and team performance – Autonomy, responsibility, information and creativity, *Team Performance Management*, 15(5/6), 289-301.
- Yasin, M.M. & Gomes, C.F. (2010). Performance management in service operational settings: a selective literature examination, *Benchmarking: An International Journal*, Vol. 17(2), 214 – 231.