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Association of Managers' Political Interests towards Employees' Feelings of Distributive Justice and Job Satisfaction in Performance Appraisal System

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Abstract

This research investigates the association between managers' political interests in performance appraisal system toward employees' feelings of distributive justice and job satisfaction using self-report questionnaires gathered from employees at a defence oriented higher institution in Malaysia. The outcome of SmartPLS path analysis model shows four important findings: first, motivational motive significantly correlates with feelings of distributive justice. Second, punishment motive significantly correlates with feelings of distributive justice. Third, motivational motive significantly correlates with job satisfaction. Fourth, punishment motive insignificantly correlates with job satisfaction. The result confirms that managers' political interests act as important determinants of employees' feelings of distributive justice and motivational motive does act as important determinants of employees' job satisfaction in the studied organization. Additionally, this research offers discussion, implications and conclusion.

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1. Introduction

Performance appraisal is a crucial decision making tool often used by an employer to assess and develop employee performance in organizations (Sanyal & Biswas, 2014; Swanepoel, Botha & Mangonyane, 2014). Appraisal decision making method consists of two major types: cognitive based appraisal and subjective based appraisal (Ismail, Najib & Arshad, 2012; Ismail & Raduan, 2013). Cognitive based appraisal is usually defined as a method which puts an emphasis on psychometric issues in evaluation, gives performance scores, and uses objective criteria to measure performance (Ismail et al., 2012; Suliman, 2007). For examples, comparison method, rating individual, measuring results, and measuring both attributes and results are designed based on cognitive models by HR managers to resolve routine personnel management functions like selection, training, compensation and career (Ismail, Zainol & Najib, 2011; Noe, Hollenbeck, Gerhart & Wright, 2013).

Extend a review of the recent performance appraisal literature highlights effectiveness of performance appraisal cognitive is questionable when it has been implemented to assess the ability of employees in performing unroutine and unstructured (e.g., marketers, public relation officers and policy makers) (Ferris & Judge, 1991; Ferris, Perrew & Davidson, 2006; Murphy & Cleveland, 1991). In order to overcome the inadequacy of cognitive method, many managers unofficially have used subjective based appraisal in workplace. Under this approach, political interests is viewed as a vital subjective based appraisal factor because it has played a more dynamic role than cognitive models in increasing the effectiveness of performance appraisal processes and outcomes. Political interests broadly defines as organization is a political arena and political behaviour in performance appraisal which is an instrument to exercise management power and in influence in order to accomplish its mission (Bing, Davison, Minor, Novicevic & Frink, 2011; Ismail et al., 2011).

According to a performance appraisal politics literature, managers' political interests have two influential elements: motivational motive and punishment motive (Arshad, Masood & Amin, 2013; Ismail & Raduan, 2013; Ismail et al., 2011; 2012). Motivational motive is often defined as a manager's personal motive (self-interest) give out high performance ratings in order to stimulate, direct, and endure employees (appraises) actions to achieve job, department and / or organizational goals (Ismail et al., 2011; 2012; 2013). Whereas, punishment motive is often related to a manager's personal motive (self-interest) assign low performance ratings in order to punish employees (appraises) who have committed misconducts in order to correct their faults as well as increase their work ethics (Ismail et al., 2011; 2012; 2013).

Surprisingly, extant research in performance appraisal politics reveals that the ability of managers to appropriately use their motives in performance appraisal systems may have a positive impact on personal outcomes, especially subordinates' feelings of distributive justice (Jewoola, 2014; Rowland & Hall, 2013; Ismail et al., 2012) and job satisfaction (Arshad et al., 2013; Ismail & Raduan, 2013; Moayeri, 2014). Distributive justice is often viewed as individuals perceive fairness about the type, level and amount of outcomes (e.g., rewards or resources) received from their employers (Jewoola, 2014; Salleh, Amin, Muda & Halim, 2013; Saraih, Ali & Khalid, 2014). Conversely, job satisfaction is often defined as individuals' like or dislike about their job, for example, if individuals are satisfied with their job, this may induce their positive or negative reactions in the organization (Ismail & Raduan, 2013; Moayeri, 2014). Within a performance appraisal model, the ability of managers to properly use motivational motive (e.g., intend to motivate employees for working to achieve organizational agenda) and punishment motive (e.g., intend to prevent employees for working to attain their personal agenda) in determining performance ratings may strongly invoke subordinates' feelings of distributive justice (Jewoola, 2014; Rowland & Hall, 2013; Ismail et al., 2012) and job satisfaction (Arshad et al., 2013; Ismail & Raduan, 2013; Moayeri, 2014) in organizations. Although the nature of this relationship is significant, little is known about the predicting variable of managers' political interests in performance appraisal research literature. Hence, it motivates the researchers to further explore the nature of this relationship. This study has four major objectives: firstly, is to examine the relationship between motivational motive and distributive justice. Secondly, is to examine the relationship between punishment motive and distributive justice. Thirdly, is to examine the relationship between motivational motive and job satisfaction. Fourthly, is to examine the relationship between punishment motive and job satisfaction.

2. Literature review

Several previous studies were conducted using a direct effect model to investigate the performance appraisal politics based on different samples, like 150 employees at a government linked postal company in East Malaysia, Borneo Island (Ismail et al., 2012), 78 employees at defense based university, Malaysia (Ismail & Raduan, 2013), 207 white collar employees of telecommunication organization of Pakistan (Arshad et al., 2013), 140 employees in UK based organization (Rowland & Hall, 2013), interviews of 15 employees who work in USA organization (Jewoola, 2014), and 92 employees in food and beverage industry at restaurants and hotels in North Cyprus (Moayeri, 2014). Findings from these studies showed that the ability of managers to properly implement motivational motive (e.g., intend to produce mutual benefits) and practice punishment motive (e.g., avoid favoritism, biases and punishing tactics) in allocating performance ratings had been major determinants of subordinates' feelings of distributive justice (Ismail et al., 2012; Jewoola, 2014; Rowland & Hall, 2013) and job satisfaction (Arshad et al., 2013; Ismail & Raduan, 2013; Moayeri, 2014) in the organizations.

The empirical studies are consistent with the notion of motivational theories, namely Adams' (1965) equity theory, Tyler's (1994) self-interest model of justice, and Skinner's (1954) reinforcement theory. According to Adams' (1965) equity theory, if an individual perceives that he/she receives equitable outcomes (e.g., the amount of performance rating) based on their contributions (e.g., the ability to perform job and/or merit), it would invoke the feelings of distributive justice. Besides that, Tyler's (1994) self-interest model of justice, suggests that people pursue self-interest to maximize their own resources or outcomes based on the rules of justice to increase the feelings of distributive justice. Further, according to Skinner's (1954) reinforcement theory which states that an individual behaviour is strongly motivated by particular reinforces where motivational motive and punishment motive are reinforces, and it would invoke employees' feeling of distributive justice and job satisfaction. Application of these theories in a performance appraisal model reveals that the essence of fair allocation rule and positive reinforces are managers' political interests. For example, the ability of managers to properly use motivational motive and punishment motive in determining performance ratings may strongly invoke subordinates' personal outcomes which are feelings of distributive justice (Jewoola, 2014; Rowland & Hall, 2013; Thurston & McNall, 2010) and job satisfaction (Arshad et al., 2013; Ismail & Raduan, 2013; Moayeri, 2014) in the organizations.

The theoretical and empirical evidence illustrated have been used as foundation of developing a conceptual framework for this study as shown in Figure 1.

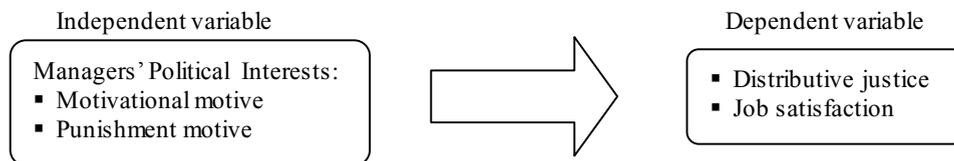


Fig. 1. Conceptual framework.

Based on the framework, it was hypothesized that:

- H1: Motivational motive positively related to distributive justice.
- H2: Punishment motive positively related to distributive justice.
- H3: Motivational motive positively related to job satisfaction.
- H4: Punishment motive positively related to job satisfaction.

3. Methodology

3.1. Research design

This study used a cross-sectional design where it allowed the researchers to integrate performance appraisal politics research literature, and the actual surveys as a main procedure to gather data from employees who worked at

defence oriented higher institution in Malaysia. According to Creswell (1998), Davis (1996) and Sekaran (2014), the use of this method may gather accurate and fairer data. The initial stage of this study is a drafted research questionnaires based on previous performance appraisal politics literature.

3.2. Measures

The research questionnaires contain three sections. In the first, there were 7 items on motivational motive and 5 items on punishment motive, all were developed based on performance appraisal politics literature (Ismail et al., 2012; 2011; Thurston & McNall, 2010). Second section, distributive justice has 6 items that were developed based on distributive justice literature (Ismail et al., 2012; Jewoola, 2014; Thurston & McNall, 2010). Third section, job satisfaction has 5 items that were developed based on job satisfaction literature (Ismail et al., 2011; 2012; Ismail & Raduan, 2013). These items were measured using a 7-item scale ranging from “very strongly disagree/dissatisfied” (1) to “very strongly agree / satisfied” (7).

3.3. Sample

The unit analysis for this study is employees who worked at the defence oriented higher institution in Malaysia. Prior to conducting the survey, the researchers have obtained permission to conduct this study from the HR office of the studied organization. 150 survey questionnaires were distributed using a convenient sampling technique to employees who work in every department in the organization. Of the number, 78 usable questionnaires were returned, yielding 52 percent response rate. The number of sample met the acceptable standards for using inference statistics (Leedy & Ormrod, 2005; Sekaran & Bougie, 2011).

3.4. Analysis

The SmartPLS 3.0 was employed to assess the validity and reliability of survey questionnaire data, and thus test the research hypotheses. The statistical package provides many advantages, which includes providing latent variable scores, avoiding small sample size problems, estimating complex models with many latent and manifest variables and error terms, and handling both reflective and formative measurement models (Henseler, Ringle & Sinkovics, 2009).

4. Results

4.1. Respondents' characteristics

In terms of respondents' profile, the majority of respondents were males (57.7%), aged between 23 and 27 years (42.5%), diploma holders (34.6%) and had working experience of less than 5 years (71.8%).

4.2. Validity and reliability of the instrument

Table 1. The result of convergent and discriminant validity analysis.

Variable	AVE	Motivational Motive	Punishment Motive	Distributive Justice	Job Satisfaction
Motivational motive	0.654	0.809			
Punishment motive	0.680	0.809	0.825		
Distributive justice	0.652	0.788	0.781	0.807	
Job satisfaction	0.648	0.583	0.530	0.457	0.805

Table 1 shows the result of convergent and discriminant validity analysis. For convergent validity, the value of average variance extracted (AVE) should be more than 0.50 (Fornell & Larcker, 1981; Ismail et al., 2013; Md Nor,

Sumilan, Ismail & Rayee, 2014; Mitra, Gupta & Shaw, 2011). Table 1 shows that all value of AVE is greater than 0.50, so this result for convergent validity is acceptable. For discriminant validity, the value of square root of AVE value or known as in diagonal should be greater than the value of diagonal figures (Fornell & Larckel, 1981; Henseler et al., 2009). The test for discriminant validity is valid since the value of in diagonal is always higher than off diagonal.

Table 2 shows the factor loading and cross loading for different constructs. The correlation between items and factors had higher loadings than other items in the different concepts, as well as the loading of all variables were greater than 0.7 in their own constructs in the model are considered adequate (Henseler et al., 2009).

Table 2. The result of factor loading and cross loading for different constructs.

Construct	No. of Item	Cross Loading Factor	Composite Reliability
Motivational motive	7	0.739-0.877	0.930
Punishment motive	5	0.702-0.930	0.913
Distributive justice	6	0.722-0.884	0.918
Jobsatisfaction	5	0.762-0.850	0.902

Table 3 shows the results of Pearson correlation analysis and descriptive statistics. The means for all variables were from 5.12 to 5.29. The correlation coefficient for the relationship between independent variable (e.g., motivational and punishment motives) and the dependent variable (e.g., distributive justice and job satisfaction) were less than 0.90, indicating that data were not affected by serious collinearity problem (Hair, Anderson, Tatham & Black, 2006; Ismail, Fuadz, Aimi, Al-Banna & Rashidi, 2014; Md Nor, 2014). The construct had met the standards of reliability analysis since the values of reliability of the constructs were 1.0 as shown in a diagonal. Therefore, this statistical result confirms that the constructs have met the acceptable standards of validity and reliability analysis.

Table 3. Pearson correlation analysis and descriptive statistic.

Construct	Mean	Standard deviation	Pearson correlation			
			Motivational motive	Punishment motive	Distributive justice	Job satisfaction
Motivational motive	5.12	1.13	1			
Punishment motive	5.29	1.07	0.814**	1		
Distributive justice	5.21	1.02	0.769**	0.774**	1	
Job satisfaction	5.18	1.01	0.516**	0.577**	0.446**	1

Note: ** $p < 0.01$

4.3. Outcomes of testing hypotheses 1 and 2

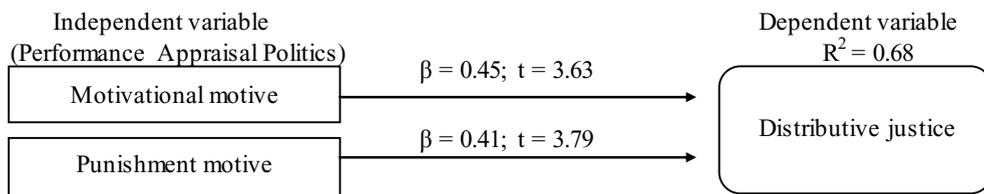


Fig. 2. The outcomes of SmartPLS path model showing the relationship between performance appraisal politics and distributive justice.

Figure 2 shows the quality of model predictions in the analysis was demonstrated by the score of R square. From the value of R square, it can be seen the independent variable (e.g., motivational and punishment motives) had explained 68 percent of the variance of distributive justice. The results of SmartPLS path analysis revealed two important findings. First, motivational motive was positively and significantly correlated with distributive justice (β

= 0.45; $t = 3.63$), therefore H1 was supported. Second, punishment motive was positively and significantly correlated with distributive justice ($\beta = 0.41$; $t = 3.79$), therefore H2 was supported. In sum, performance appraisal politics consist of motivational and punishment motives which act as an effective determinant of distributive justice.

In addition, global fit measure (GoF) was carried out in order to determine a global fit PLS path model (Wetzels, Schroder & Oppen, 2009). To determine the measurement of (GoF), this guideline was followed: $\text{GoF} = \text{SQRT} \{ \text{MEAN} (\text{Communality of Endogenous}) \times \text{MEAN} (R^2) \} = 0.67$. This result confirms that the PLS path model has better explaining power in comparison with the baseline value (GoF small = 0.1, GoF medium = 0.25, GoF large = 0.36). It provides strong support to validate the PLS model globally (Wetzels et al., 2009).

4.4. Outcomes of testing hypotheses 3 and 4

Figure 3 shows the quality of model predictions in the analysis was demonstrated by the score of R square. From the value of R square, it can be seen the independent variable (e.g., motivational and punishment motives) had explained 36 percent of the variance of job satisfaction. The results of SmartPLS path analysis revealed two important findings. First, motivational motive was positively and significantly correlated with job satisfaction ($\beta = 0.44$; $t = 2.15$), therefore H3 was supported. Second, punishment motive was insignificantly correlated with job satisfaction ($\beta = 0.18$; $t = 0.98$), therefore H4 was not supported. In sum, motivational motive acts as an effective determinant of job satisfaction.

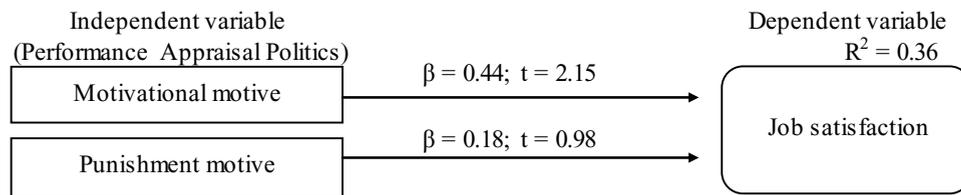


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5. Discussion and implication

The findings of this study confirm that managers' motivational motives and punishment motives are important determinants of subordinates' feelings of distributive justice in the studied organization. In the relationship between performance appraisal politics and job satisfaction confirms that managers' motivational motive does act as important determinants of subordinates' job satisfaction whereas, managers' punishment motive does not act as important determinants of subordinates' job satisfaction. This study provides three major implications: theoretical contribution, robustness of research methodology, and practical contribution. In terms of theoretical contribution, the findings of this study reveal that motivational and punishment motives have been important determinants of distributive justice. This finding also has suggested and extended studies by Ismail et al. (2012), Jewoola (2014), Rowland and Hall (2013). Besides that, managers' motivational motive has been an important determinant of job satisfaction. This finding also has suggested and extended studies by Arshad et al. (2013), Ismail and Raduan (2013), Moayeri (2014). Further, managers' punishment motive has not been an important determinant of job satisfaction. This may be affected by the respondents' characteristics. For example, respondents who have different background may have different value of judgement about the ability of managers to implement punishment motive. This condition may decrease the effect of managers' punishment motive on job satisfaction in the organization. With respect to the robustness of research methodology, the survey questionnaires used in this study have met the

acceptable standards of the validity and reliability analysis. Thus, it could lead to producing accurate and reliable research findings. Regarding practical contributions, the findings of this study may be used as guidelines by management to improve the use of political interests in increasing the effectiveness of the performance appraisal process and outcomes in organizations. In order to meet such objectives, management needs to pay more attention on the following suggestions: firstly, communication openness and participation style in performance appraisal decisions need to be encouraged to increase employees' understanding and decrease their misjudgements about performance appraisal politics. Secondly, managers need to promote high commitment practice cultures, such as low power distance, respect different opinions and styles, share knowledge and experiences, align personal agenda to attain organizational and job goals, and handle conflict using win-win situation.

6. Conclusion

This study tested a conceptual framework based on the performance appraisal politics research literature. The measurement scales used in this study met the acceptable standards of validity and reliability analysis. This result has also supported and broadened the research literature mostly published in Western and non-western countries. These results further suggest that the ability of managers to appropriately implement political interests in allocating performance ratings will help to enhance subsequent positive subordinates' outcomes (e.g., supports, appreciation, commitment, performance, and ethics). Thus, it may lead to maintain and achieve organizational strategic vision and missions in era of global competition.

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