ISCTE ⬡ Business School
Instituto Universitário de Lisboa

Understanding Performance Evaluation Processes – What Employees Perceive and How They React

Bernardo Miguel Tavares Barroca

Master's degree thesis in Human Resources Management

Master's Degree Tutor:

PhD Henrique Duarte, ISCTE Business School, Human Resources Management Department

October 2013

ISCTE Business School
Instituto Universitário de Lisboa

Understanding Performance Evaluation Processes – What Employees Perceive and How They React

Bernardo Miguel Tavares Barroca

Master's degree thesis in Human Resources Management

October 2013

Acknowledgments

Firstly, I would like to dedicate and expressing my thanks to my family, because without their love and patience it would not be possible to finish this thesis.

I would like to thank my tutor, Henrique Duarte, for all the valuable contributions and endless dedication in helping me on the course of this research. Certainly without such a good and patient tutor would not be possible to carry out all the research.

Finally, a word to my dear friends who have been on my side all along, supporting my choices and providing me with such good and relaxing moments.

INDEX

Abstract

The purpose of this paper is to analyze the positive influence clarity of the performance evaluation system perceived by employees has on perceptions of fairness and on the behavior of the employees towards the organization and colleagues; and the negative influence clarity of the performance evaluation system has on perceptions of favoritism and perceptions of political behaviors. This paper takes an empirical approach, which was gathered via questionnaire covering the Portuguese public sector, more specifically the municipalities (the sample size was 93 employees). The paper suggests that the employees who understand better the system perceive more fairness, less political behaviors on the performance evaluation processes and tend to have citizenship behaviors toward the organization, and the employees who perceive a good communication by their supervisors tend to perceive more fairness and less favoritism during evaluation processes.

Sumário

O objectivo deste estudo é analisar a influência positiva que a clareza percepcionada do sistema de avaliação de desempenho pelos colaboradores tem sobre percepções de justiça e sobre o comportamento dos colaboradores perante a sua organização e os seus colegas; e a influência negativa que a clareza percepcionada do sistema de avaliação de desempenho tem sobre percepções de favoritismo e percepções de comportamentos políticos. Este estudo tem uma abordagem empírica, no qual os dados foram recolhidos através de questionário abrangendo o sector público Português, mais especificamente as Câmaras Municipais (o tamanho da amostra foi de 93 colaboradores). O estudo sugere que os colaboradores que entendem melhor o seu papel no sistema de avaliação de desempenho percepcionam mais justiça e menos comportamentos políticos por parte dos supervisores e adoptam comportamentos de cidadania para com a organização, e os colaboradores que percepcionam uma boa base de comunicação por parte dos seus supervisores tendem a percepcionar mais justiça e menos favoritismo durante os processos de avaliação de desempenho.

Palavras-Chave: Avaliação de Desempenho; Justiça Procedimental; Favoritismo; Comportamentos Políticos; Comportamentos de Cidadania Organizacional; Clareza do papel nos processos

1. Introduction

Nowadays with advancements in performance appraisal and fairness research is safe to conclude that there are possible relationships yet to be studied and questions to be answered. The performance appraisal processes' consist in measuring the job performance of individuals, through methods and models applied by an organization; where the three parties that are overall involved in these processes are the organization itself; the supervisors and the employees (Murphy and Cleveland, 1995; Kavanagh et al, 2008). Before Murphy and Cleveland (1995) identified the "reaction criteria" present in employees there was not so much advances in studying the perceived fairness of employees, as clarified by Kavanagh et. al (2008).

The purpose of this research is to analyze the effects of the clarity of the performance evaluation system on how employees perceive procedural fairness, favoritism, and organizational politics and on their behavioral stance towards the organization. If the system has transparency, consistency, it is accurate and fair; the employees will understand better why and how they are being evaluated (Levy and Williams, 1998). The importance is that employees with a performance evaluation system that corresponds fully to those criteria backing them up will prove useful in their relationships with supervisors and other employees and with the organization itself (Kavanagh et. al, 2008). To support this research we have chosen the following variables: (1) Clarity of the performance appraisal processes by the employees, namely understanding and communication; (2) perceptions of procedural justice/fairness by the employees; (3) supervisor's attitude of favoritism (counter-part of neutrality and perceived injustice); (4) perceptions of organizational politics; and (5) citizenship behaviors. The importance of including such variables is due to the fact that they influence greatly organizations in bad and good terms, but what influences them is barely known (Kavanagh et. al, 2008).

Since we already know that the way employees understand their role in such processes is really important, we constructed the following objectives for this research: study the influence that clarity of the system (communication and understanding) has over (1) Perceived fairness, where it is inferred the process control and social exchange theories as a theoretical base (Thibaut and Walker, 1975; Folger and Cropanzano, 1998; Kavanagh et. al., 2008); (2) Perceived favoritism, when employees do not understand

the evaluation system, supervisor's neutrality is compromised (Levy and Williams, 1998; Kavanagh et. al, 2008); (3) Perceived organizational politics or political behaviors, where these type of behaviors can bring negative effects, when employees think they are being controlled or influenced (Drory and Romm, 1988;Murphy and Cleveland, 1995); and (4) Helpful behaviors such as citizenship behaviors, where employees that do not understand the system as being fair can show less cooperation towards the organization (Organ, 1988; Moorman, 1991).

Throughout a correlational study, we bring up some evidence on possible relationships between these variables and analyze them thoroughly, in order to show some contributions for understanding better how the performance evaluation processes are understood and perceived.

2. Knowledge over Performance Appraisal Processes

The knowledge over PA processes is of uttermost importance when dealing with perceived fairness of employees on these processes. There is a proven positive correlation, between what the employees know about the performance evaluation system and their perception of fairness, stated on the use of certain aspects as variables: clarity of the role, understanding and acceptance of objectives; according to Kavanagh et. al (2008), on their study of 200 public companies in Australia.

The clarity of the PA system is consistent with the feeling of control by employees in the process control theory (Kavanagh et. al., 2008; Thibaut and Walker, 1975). It is a transparency process that drives information from the organization PA processes to the employees'. But not only the organization can ease the concept of transparency on these processes, but also the supervisor, since he, supposedly have more access to information inside the organization than the "subordinates", needs to make use of that information when evaluating and to fulfill correctly his duties inside the organization. Of course, this doesn't mean that the employees should not have access to information inside the company; on the contrary, they need to have access, to exponentially improve their on job performances (Kavanagh et. al., 2008).

But how to measure how much knowledge the entities and/or individuals have of the procedures of PA system, namely the standards, criteria and objectives? Through the

use of a measurement model – Perceived System Knowledge (PSK) - developed by Levy and Williams (1992), great advances have been fulfilled in the research for the extent on how employees understand their performance evaluation processes in workplace. Kavanagh followed it to define his hypotheses in his research with the Australian public sector (Kavanagh et. al, 2008). Since the clarity of the role in the PA processes is not so clear, the PSK model provides us with information that can be related to the transparency/clarity (Levy and Williams, 1998; Kavanagh et. al, 2008). When applied, the PSK carried the conclusion that a higher understanding of the system knowledge converted into a higher perception of procedural justice. Levy and Williams (2000) conducted another study that will help in building a bridge between 2 of the focal aspects referred earlier: supervisor neutrality and clarity of the PA processes. The hypothesis over that there will be a significant difference between supervisory and nonsupervisory employees' levels of PSK, brings the possibility of researching deep in the relationship between neutrality and clarity, depending on how the supervisor position is taken. The conclusion comes with reports of higher knowledge and understanding of the processes by the supervisors than by the non-supervisors.

Within our research boundaries it is possible to associate two distinguishable secondary variables which are worth working on. Communication and Understanding are two concepts (variables) mingled with the main concept of Clarity of the role, as seen in the PSK Model proposed by Levy and Williams (1992). From these variables we can take upon other considerations on the research and see the possible connections between them and neutrality of the supervisors, political behaviors, citizenship behaviors and the perceived fairness of employees.

2.1 Communication and Understanding

Communication is a widely known process between individuals, and in organizations it represents basically the same thing, a process that describes shared information, goals, feelings, ideas, etc… This process is what represents the good performance inside an organization. But can the process be completed with just sharing information between individuals? Actually no, since the process only can be complete if the receiver interprets correctly the received message. The action of decoding the message can be described as understanding, which according to the most common

dictionary it can be described as "*a psychological process where an individual is able to think about it and use concepts to deal adequately with the object of appreciation*" (Schermerhorn, Hunt and Osborn, 2008). These two definitions make us believe that both concepts are implicitly related to each other, as such one being the consequence of the other. But regarding Levy and Williams (1992; 1998), their research shows a direct relationship, but also shows independence between the two concepts, if we follow reasoning logic. In their model PSK, one of the groups of items represents communication and other represents understanding. Since we already know that for a complete process of communication there is a need of understanding, we deduce that for understanding there is a possibility of not regarding communication. For example, in organizational context, when a supervisor and employee are communicating over the performance appraisal process, there is the act of two way communication and the act of understanding of the employee, but in the case the employee decides to look for information by himself of the performance appraisal process there can be understanding without the need of communication. Nevertheless the communication process can make a difference in the perceptions of employees, especially in the procedural fairness, favoritism and political behaviors. The approach on the communication process as interpersonal communication at work is, in fact, one method of evaluating this communication variable in the clarity of the PA processes.

3. Perceived Fairness – Procedural Justice

What is the reason for procedural justice to be related with perceived fairness of performance appraisal processes? Folger and Cropanzano (1998) defined it clearly as:

"*Procedural Justice refers to fairness issues concerning the methods, mechanisms, and processes used to determine outcomes.*"

This definition is brought to our attention, because it focuses in three key concepts that permit us to create a connection with the performance appraisal processes. Performance appraisal is a sort of methods, mechanisms and processes (Murphy and Cleveland, 1995) and as such it gives us the reason to relate the perceived fairness of employees with procedural justice, disregarding other types of justice. In practice, procedural justice is the way to reveal issues regarding a not proper conduct of decision-making processes or allocation processes in organizations. Such issues affect negatively

the perceived fairness of employees, because it doesn't give the employees any process control or voice over the matter, and procedural justice is the measurement, as it will be further explained.

The perceived fairness can be measured giving attention to different types of justice: procedural, distributive and interactional. In the specific case of this research the one that most applies is the procedural justice, because the subject is directly related to process control theory and social exchange (Thibaut and Walker, 1975; Folger and Cropanzano, 1998; Kavanagh et. al., 2008). The procedural justice is a type of justice that deals more with emotional and social state of mind of employees' perceived fairness inside the organization (Thibaut and Walker, 1975). Although distributive and procedural justices are directly related to perceived fairness and organizational performance, their meanings in the subject are different. 'Distributive justice is the fairness of the outcomes that one receives and procedural justice is the fairness of the procedures by which outcomes are distributed or decisions are made' (Masterson, 2001). So Rosseau (2004) has finalized the bridge between procedural justice and fairness in performance appraisal with two key aspects: voice (Greenberg, 1996; Folger, 1977) and outcomes related with attitudes, such as satisfaction. In the idiosyncratic arrangements approach, proposed by Rosseau (2004), as stated earlier, we can utterly see a positive and neutral relationship between supervisor and employees, not seen on the preferential treatment approach (also seen as favoritism). The idiosyncratic arrangements can be made through voice, one of the key aspects of the procedural justice (Rosseau, 2004).

It is important to give value to some theories, in order to complete the research between what is perceived fairness and what is procedural justice: Leventhal's Theory of Procedural Justice (Leventhal, 1980). Analyzing Leventhal's Theory there is core information that can be retrieved, as it was explained by Lind and Tyler (1998), throughout a series of definitions and contexts. Their analysis gives us a crucial perspective of procedural justice, since without this perspective it wouldn't be totally possible to study procedural justice in a performance evaluation context. This happens because Leventhal's Theory of Procedural Justice studies the concept in a non-legal context (Leventhal, 1980; Lind and Tyler, 1988), which stimulated most of the research done throughout the years on procedural justice in this specific context.

A connection has been built between what happens in distributive justice with the allocation process and procedural justice, where a similar cognitive process is set and determines the fairness of procedures (Lind and Tyler, 1988). With earlier basis on Thibaut and Walker's research and some instinct, Leventhal designed six procedural justice rules, which complete some of our logic reasoning when establishing certain relationships: (1) Consistency; (2) Bias Suppression; (3) Accuracy of information; (4) Correctability; (5) Representativeness; (6) Ethicality. The weight of these rules depends on the effects of each rule, as it happens in distributive justice (Leventhal, 1980). In a comment and critique section of Lind and Tyler' "The social psychology of procedural justice" (1988), they point out a very important feature of Leventhal's Theory: within the six rules of procedural justice there are three that are representative factors in determining fairness in procedures (consistency, accuracy of information and ethicality). These three rules will show how we can relate certain factors in our research.

The definition and key aspects of procedural justice motivate the assumption why perception of procedural justice of employees will be related with what the employees can understand of the performance evaluation system and their relationship with supervisors, considering the communication factor only (Lind and Tyler, 1988).

Performance appraisal processes are also procedures in organizations and their ratings are causes of decision-making processes, as seen before (Murphy and Cleveland, 1995). Therefore it was concluded that procedural justice would be the most appropriate type of justice to study, regarding the existent conditions. On how we can relate a better clarity of the performance evaluation system with perceptions of procedural justice, two key concepts emerge: (1) Consistency, where there should be consistency in the procedure across time and individuals, and in practice, all individuals involved should have the same belief that they are being treated equally during that procedure; (2) Accuracy of information, where the procedures are perceived as unfair if the decisions appear to be based in inaccurate information. We thought that both concepts, presented in the six-rule Leventhal's Theory of Procedural Justice (Leventhal, 1980), could be related to the clarity of the role influencing the perceived fairness of employees, throughout procedural justice, because in basis of consistency and reliable information there should be good communication and understanding, with the intent of the employees actually understand the role and understand what is being tried to

communicate with them about the role (Schermerhorn, Hunt and Osborn, 2008; Leventhal, 1980; Lind and Tyler, 1988). The other factor that has driven us to this relationship is the key aspect of procedural justice, voice, which permits the existence of communication between supervisor and employee (Folger, 197; Greenberg, 1996). For an example, basing in earlier literature coverage, if employees and supervisors have improved their communication and employees' understanding, then employees' will perceive more procedural justice in the processes. Therefore we can research the possible correlation between these two concepts and if it is positive, basing ourselves onto these hypotheses:

H1a: Understanding will influence positively the perceived procedural justice of employees

H1b: Communication will influence positively the perceived procedural justice of employees

4. Neutrality vs. Favoritism

In Performance Appraisal processes there are several concepts involved with the perceived fairness by individuals when being evaluated. One is, without question, the attitudes and reactions by supervisors. How do they react considering the organization standards', which they can't compromise and they need to respect in order to evaluate other individuals correctly? The sense of fairness from individuals is enhanced by a so-called neutrality factor in supervisors' behavior. Kavanagh et. al(2007) describes the supervisor neutrality as a procedure where the supervisor applies the standards of the organization consistently throughout the evaluation processes, and also tested a hypothesis where a higher consistency of application of standards are related with higher levels of perceived fairness in PA processes. The basics in neutrality factor are present in this hypothesis since the supervisor follows the standards of the organization and applies them to every individual and the fact that he applies to every individual the same way, there will be no thoughts of unfairness in the process. Also this is related to perceived knowledge of the processes by each individual, because if they don't know the reason for such evaluation, the neutrality of the supervisor could be compromised (Levy and Williams, 1998; Kavanagh et al., 2008). The variables in study, by Kavanagh

(2008), are indeed positively correlated, concluding that there is a higher perception of fairness when the supervisor is neutral.

But is it correct to state that the counter-part of neutrality is favoritism? Rosseau (2004) delineates favoritism as the same side of preferential treatment and it is based in working arrangements, such as unauthorized appropriation and idiosyncratic employment arrangements. The preferential treatment is basically the form of a personal relationship inside work environment where both parties benefit each other, but they are just like boss and employee. But in this scenario a third party is clearly at disadvantage, which normally are the coworkers and the consequences are widely viewed when this third party is composed by a certain diversity, cultural or demographic (Rosseau and Kim, 2003; Rosseau, 2001). Also favoritism in organizations is something that arises from subjective measures on the performance evaluation processes, such as mere opinions where supervisors base themselves to evaluate employees beyond their true performance, as told by Prendergast & Topel(1996). These subjective measures are mainly seen at a rewards' level, viewing compensation as favoritism side, it gives a perception that the supervisors, who have authority, see great value in affecting employees' welfare (Prendergast & Topel, 1996; Ittner, Larcker & Meyer, 2003). It is important to assess as well favoritism, because being the counter-part of neutrality; it could be the reason for the behavior seen in supervisors, which indicate a disregard for the perception of fairness by employees. In the model of Prendergast & Topel, was already assessed that supervisors can see value in taking such position, so we need to know what can make supervisors follow the organization standards when in performance appraisal processes and if they can see value in it.

Since this position (favoritism) of the supervisors "pays a price" regarding the perceived fairness of employees towards the appraisal processes, it brings up one of the assumptions we defined for this research. Indeed what motivates this assumption is the negative value often associated with favoritism, as we have seen in our theory coverage (Prendergast and Topel, 1996; Rosseau, 2004).

The relation between communication and favoritism is constructed through Rosseau (2004) statements and beliefs, as seen earlier, where it is addressed preferential treatment and idiosyncratic arrangements. And the latter can be made through voice, one of the key aspects of procedural justice. Our reasoning follows that same statement;

good communication can actually function, in organizations, as a hindrance for favoritism or preferential treatment, with the creation of win-win-win situations, such as idiosyncratic arrangements (Rosseau, 2004). Conversely in the opposite situation, where communication is unstable and difficult to manage inside the organization, it could also provide favoritism situations. This lack in communication can also be applied to understanding. Employees who understand differently the processes from their colleagues, probably because of a lack on explanation or simply because the company and supervisors didn't provide enough information, can also perceive that they are in a favoritism situation (Prendergast and Topel, 1996). The same example can be given using universities, where evaluation is a method that teachers and students are obliged to do. In order to conceive these relationships, we constructed the next hypotheses:

H2a: Understanding will influence negatively the perceptions of favoritism by employees

H2b: Communication will influence negatively the perceptions of favoritism by employees

5. Political Behaviors

In organizations are seen organizational politics or political behaviors, resulting products of political activity, present in many actions, even in organizational goals. But the only thing that is surely known about these behaviors is the controversy and ambivalence in defining them, resulting in different views on what could be political behaviors: are they positive or negative inside organizations (Buchanan and Badham, 1999)?

The meaning of these behaviors inside organizations and how employees perceived them is stated as a group of various behavioral elements, although a proper definition hasn't reached its final state, regarding different opinions of several authors (Drory and Romm, 1988). This makes Organizational Politics (OP) a hardly consistent concept, but the study of Drory and Romm (1988) makes a clarifying advancement in the research of OP, since they extracted elements from various validated definitions. The elements present in OP are what represent them and they are divided in two groups:

- The first group is composed by the behavioral elements which in fact are the ones that affect directly organizational behavior. These three elements are formal, informal and illegal. Drory and Romm (1988) believed these three elements are the ones that *"constitute a necessary component that must accompany any behavior"*.

- The second group is composed by four elements considered secondary due to its nature. Conflict, Power Attainment, Acting against the organization and Concealed Motive are seen as describers of the circumstances of the above behavioral elements.

The results in the study suggested a perception by the employees of OP as a phenomenon of variables where they are all inter-related, being these relations complex and flexible (Drory and Romm, 1988). This conclusion is brought to attention in this research case, because there are possibilities to explore the relationship between political behaviors in the organizations with the clarity of the performance evaluation system. Also on performance appraisal, it was already discerned by Murphy and Cleveland (1995), that there is a direct relationship with political behaviors, as such they sustain that performance evaluation itself is goal-directed behavior where all the components in organizations and performance measurement systems lead supervisors to acquire different objectives when an evaluation process is occurring (Murphy and Cleveland, 1995; Salimäki and Jämsén, 2009).

Still the ongoing definition of OP, takes us to Buchanan and Badham (1999) interpretation. The view described earlier was clearly a negative view of OP and Buchanan and Badham explicitly summon some problems towards the definition of Drory and Romm (1988), since labeling a behavior as political can still be a non-political behavior from different point of views. To explain this, they give a simple example where a researcher is investigating aggressive behaviors in nightclubs. This researcher takes into account all the variables that could define as being aggressive, until he faces one situation in the nightclub between two young men. Both of them show symptoms of being aggressive during their conversation, but in the end the researcher confronts them as they have an aggressive behavior, but they say they are best friends and that was just a dispute. What Buchanan and Badham (1999) want with this, is to explain that it is very difficult to assess if a behavior is political or non-political due to different perspectives, and this can be a problem in the "definitional

elements" of Drory and Romm (1988). Despite this interpretation of Buchanan and Badham, there is still a need to follow some reliable points extolled bye earlier coverage in order to advance in our research.

We suggest that understanding or not understanding the performance evaluation system and how well a supervisor communicates will have implications on the perceptions of political behaviors. This belief comes from evidence related to political behaviors being comprehended as self-serving and manipulative activities (Aryee, Chen and Budhwar, 2004; Drory and Romm, 1988), despite the contrary opinion of Buchanan and Badham (1999). Also in the coverage of political behaviors we can see the reasoning beyond such belief.

We could see how Organizational Politics could be something negative inside an organization, due to its form of influence on others (Drory and Romm, 1989), but also how could they turn into a positive influence to organizational environment if used in a certain manner (Buchanan and Badham, 1999). The role communication and understanding could have in employees' perceptions of OP presents a great possibility, the possibility to understand if an environment of communication and understanding can produce the same type of results as when employees perceive favoritism or procedural justice. Communication and understanding can be represented as an art of influencing others (Schermerhorn, Hunt and Osborn, 2008), which lead us to, in practice, when employees and supervisors are in presence of a difficult organizational climate that doesn't promote often mutual communication and understanding, employees will perceive more political behaviors (actions of organizational politics) inside the organization. Actually this influence can adopt many forms: information omission; the employees could think they are being manipulated by superiors, made to take some actions and decisions without their full consent or no consent at all… Nevertheless these forms of influence can appear via communication or understanding of the performance appraisal processes.

H3a: Understanding will influence negatively the perceptions of Organizational Politics by employees

H3b: Communication will influence negatively the perceptions of Organizational Politics by employees

This summarizes the first part of the research, where we are going to try to establish relations between what represents to the employees the clarity of the performance appraisal processes as conductors to the three most common perceptions of employees inside organizational environment and related to their evaluation: favoritism; procedural justice (stands for fairness in procedures); and organizational politics.

6. Effects on the Behaviors

The topic where most of the variables found in this research collide is, in fact, the relationship between the supervisor and the employees. The theoretical background until now revealed that performance evaluation is also a "two-way" group of methods and measures in organizations, where there is an individual that evaluates and other that is evaluated. At least there is always the certainty that someone is evaluated, considering the alternative methods of evaluation, such as self-evaluation. But the identification of the reaction criteria is a crucial factor for this last sentence, where we assert with some conviction that there is actually a two-way in performance appraisal. The reaction criterion represents all the feedback that an employee is given an opportunity to when being evaluated (Murphy and Cleveland, 1995). But also the core of this research tends to our convict sentence. As such, the definitions of organizational politics (Drory and Romm, 1988; Badham and Buchanan, 1999), of favoritism (Prendergast and Topel, 1996; Rosseau, 2004), of procedural justice (Folger and Cropanzano, 1998; Lind and Taylor, 1988; Leventhal, 1980), and the knowledge over the processes (Levy and Williams, 1998) have shown a dependence of the existence of a relationship between supervisor and employees, making it a factor that is affected by these concepts.

However, what is at stake is what kind of behavioral stance the employees will adopt, concerning their understanding of the system and how well supervisors communicate with them. This is a crucial step in this paper, since we believe that helpful behaviors towards the organization will be the most probable outcome, if an employee truly understands his performance evaluation processes and perceives that the supervisors are transmitting consistent and accurate information about the system. So we propose that the clarity of the system will influence one type of behavior: (1)

Organizational Citizenship Behavior. This type of behavior, that we later address, is one that corresponds fully to what being helpful inside an organization is.

6.1 Organizational Citizenship Behaviors

On the contrary situation of risk behaviors, as Organizational Retaliatory Behaviors, sometimes employees present behaviors that are cooperative and show a great interest in helping others than themselves inside organizations. This type of behavior is called Organizational Citizenship Behavior (OCB). Smith, Organ and Near (1983) based themselves in past literature and the social exchange theory to explain better the nature of the OCBs, and found out how citizenship behaviors are so informal inside an organization. They can be noted by supervisors, and even being included in performance appraisals, when employees are being evaluated. But still they have several characteristics that make them informal to the organization and also represent some risk at individual level: (1) they are difficult to measure; (2) may contribute to others' performance, but sacrificing your own; (3) and is subtle. Although the risk is side by side with the existence of this behavior, it has been found as a prosocial behavior and with an altruistic character. It is in fact positive to the social environment in organizations (Smith, Organ and Near, 1983). In summary, OCBs are behaviors that represent a risk in not being formally recognized, despite being beneficial for an organization, especially for the relationship of employees and supervisors. Also they can prejudice one's own performance, but this sacrifice can help others to achieve higher on-job performance. To conclude on its nature, Sharlicki and Folger (1997) having read Katz and Kahn (1966) work on social psychology of organizations; they asserted that "*OCBs represent every little thing that helps in the organization survivability*".

But the importance that driven us to include citizenship behaviors' into the research, beside the fact that they represent a positive type behavior, is the direct relationship found between these behaviors and how employees understand their role in the performance evaluation process.

Several authors express their theory as finding relationships between procedural fairness with organizational citizenship behaviors. Organ (1988) noticed that, in measurement for job satisfaction, "*employees reciprocate fair treatment by performing*

citizenship behaviors" (Organ, 1988; Tepper and Taylor, 2003). Two suggestions are done based on that assumption: (1) using the equity theory, stating that OCB could be inserted in the perceived equity of employees and that could be a response to inequity; and (2) using the social exchange theory, since OCB is presented in an informal environment and the fairness perceptions could influence it to make the employees define their relationship with the organization (Moorman, 1991).

Upon this relevant theory, we can construct what it is most likely to happen when employees fully understand their role over the performance evaluation processes. Using again the social exchange theory, Organ (1988) and, later, Moorman (1991), showed us that the employees' perceptions of fairness could influence their relationship with the organization, and, as such, having helpful or harmful behaviors toward the organization. But just sticking with the helpful behaviors, in this case OCB's, can we imply that the same could happen when employees understand their evaluation system?

Yes we can, as we seen on earlier coverage, the way employees understand their performance evaluation system is a concept very near to how the perceptions of procedural fairness act. The consistency and the transparency in the information, is also something that the employees have to perceive, in order to know if information is being handled in a correct way to them. Nevertheless, if the employees perceive that information is not correct, they will probably show less open and do not show full cooperation inside the organization, because they are being "tricked" and led in a wrong direction. Therefore, we can assume a hypotheses group as an outcome of this literature coverage:

H4a: Understanding will influence positively Organizational Citizenship Behaviors by the employees

H4b: Communication will influence positively Organizational Citizenship Behaviors by the employees

The following figure is the proposed scheme that represents all relations under research, where in this paper it is followed a timeline, from the beginning of the performance evaluation process, where employees understand the process applied, passing through the perceptions of employees on their role over the evaluation process, until they demonstrate certain behaviors in response to their evaluation (see figure I).
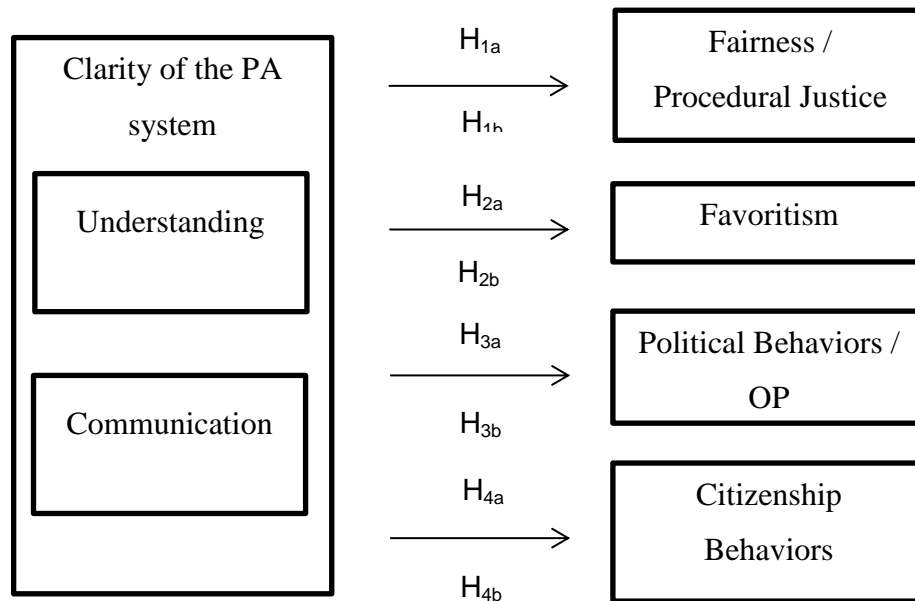

Figure I: Proposed scheme that represent all relations under research

7. SIADAP – a performance evaluation system

In order to apply that scheme to our research we need the most homogeneous sample possible. The required sample needs to be retrieved according some requisites, such as the population is in fact evaluated by the same performance evaluation system, independently of their rank, either being a supervisor or an employee, and independently of their department. To obtain a sample with those criteria we resorted to the performance evaluation system present in the Portuguese public sector – Sistema Integrado de Avaliação de Desempenho da Administração Pública (SIADAP).[1]

The SIADAP is part of an evaluation model based upon the management of performance done in the private sector, dividing itself on the same principals and ideas: individual steps of performance to guide employees so they can complete the proposed objectives, individual evaluation and rewards to those who adequately fulfill certain levels of performance. This evaluation model, not only facilitates, but also constructs a data base capable of being used with the intent to create an annual report about how did it work, and that identifies problems, so that it is possible to adjust to reality and improve the evaluation processes (Vicente and Stoleroff, 2012).

To obtain a better idea on how SIADAP works (focusing specifically on SIADAP 3), we developed the next scheme in an attempt to describe better and briefly what it is as a performance evaluation system (see Table 1). Although changes were done to SIADAP characteristics by law, these changes are already implemented in the next scheme: (a) Creation of 3 subsystems of performance evaluation for each sector in the public sector (despite this happening, it still maintains the characteristic of homogeneity that we need in this paper) (SIADAP 1, SIADAP 2, SIADAP 3); (b) performance evaluation is now done taking into account only two criteria (personal attitude no longer makes part of it); and (c) the classification comes through a renewal process of 5-points into 4-points only. Finally the three subsystems have different evaluation periods: (a) SIADAP 1 – annual evaluation; (b) SIADAP 2 – 5 or 3 years evaluation (depends on the years of service); and (c) SIADAP 3 – biennial evaluation (Lei 68-B/2012, de 12 de Dezembro).

---

[1] The translation of SIADAP to English: Performance Evaluation System for the Public Sector

Table 1 – SIADAP Main characteristics

Target	Every public sector employee, within direct influence of the State, independently of their juridical title, and the contract would be superior to 6 months
General Objective	Integrated and coherent development of an evaluation global model, which consists in a strategic tool for change, motivation and improvement.
Specific Objectives	- Contribution for the improvement of Public Administration management; - Develop and strengthen evaluation and auto-regulation measures; - Identify training and development needs that improve overall performance; - Promote long life training, with motivation and competences development; - Recognize and reward services and workers for their performance; - Support strategic decision-making processes; - Improve information and transparency of the processes.
Orientation Guidance	- Objective management; - Individual performance evaluation; - Meritocracy; - Attribution of rewards considering the performance level; - Standardization of the criteria in performance evaluation.
Evaluation Criteria	- Individual Objectives for performance (3 to 7); - Behavioral Competences;
Evaluation Sources	Hierarchical Evaluation: the employee is evaluated by a supervisor or direct person above him.
Classification System	4-points scale (1- Inadequate; 2-Adequate; 3-Relevant; 4-Excellent)
Consequences of performance evaluation	- Promotion and career progression; - Contract Renewal.

SIADAP main characteristics scheme (Lei 66-B/2007, 12 de Dez, with review Lei 66-B/2012).

8. Research Design

The object of this study is done through a quantitative approach, since the authors that contributed greatly for this study already operationalized the data collector measures in different studies. With adaptations in several works, such as Sinickas (1998), Levy and Williams (1992), Fields (2002), Kacmar and Ferris (1991) and Sharlicki and Folger (1997), we managed to construct a research design where it is possible to fit all the possible relationships.

Also the operationalization carried out by this study aims to create conditions in using these constructs for a more complete quantitative approach, yielding large quantities of data where it is possible to assess side relationships and the respective impacts.

8.1 Data Collection

The empirical data were gathered via questionnaire applied to the public sector of Portugal's labor force, in particular municipalities. Questionnaires were distributed personally (in the municipalities) and via the Internet (by e-mail and Googledocs). These methods were chosen due to time management issues, where it is much easier to distribute and fill, and faster to deliver, so it gives a possibility to not disturb people's daily work. Also using the personal way, I believe this method gives the chance to create a better relationship of trust with the person involved and so it can give you more accurate data.

8.2 Sample

The sample aimed to achieve a homogeneous group of people that is under the performance evaluation system SIADAP, evaluating people who supervises and people who are under supervision.

Bearing this information, the characteristics of this sample are: From a total of 93 inquired people, 30 are male and 63 are female, representing 32,3% and 67,7% respectively; 24,7% has an age between 25 and 34, 40,9% an age between 35 and 44, 23,7% an age between 45 and 54 and 10,8% is 55 or more. The average work experience of inquired people is approximately 15,1 years (std. deviation: 8,9) and each

person has an average of approximately 17 (std. deviation: 14,2) persons in the team. Most of them have an university degree, being graduate or higher, 41,9% and 46,2% respectively; while at least 11,8% has a high school degree.The distribution of workers through the organizational structure is followed by a larger number of people in the medium level, with 58,1% being coordinate technicians or are superior technicians; in the lower 35,5% are assistants and in the higher 6,5% are service chiefs or department directors. 25,8% of the inquired people have other persons under supervision and 74,2% have not.

8.3 Measures

8.3.1 Clarity of the performance evaluation processes (Understanding and Communication)

Being the purpose of this paper to analyze how employees perceive fairness, favoritism and organizational politics situations inside their organization and to what type of behaviors their perceptions lead; it was of the uttermost importance to understand, in the first place, what they comprehend of the performance evaluation processes, where they are the objects of that same evaluation. The PSK model had a different operationalization from the one done in the first place by Levy and Williams (2002) with a total of 11 items and divided in two factors: (1) Understanding of criteria and objectives; and (2) General Process. However, our factor analysis showed one factor within a total of 11 items. The last three items didn't show a good reliability such as *"I would benefit from additional training in the process of the appraisal system", "Procedures regarding the performance appraisal system are not generally understood by the employees",* and *"An attempt should be made to increase employees' understanding of the performance appraisal system"*. And we had to eliminate those items with ambiguous values, namely *"I do not understand how my last performance appraisal rating was determined"*. So analyzing the remaining items was the next step, where we obtained the following result: (a) System Understanding consists in how much the employees understand their performance evaluation system. The measure was an 7 item Likert scale (1-strongly disagree, 5-strongly agree), namely *"I understand the performance appraisal system being used in my agency", "My supervisor and I concur on the meaning of the criteria used in the performance appraisal system", "I understand the objectives of the present performance appraisal system", "I have a real*

understanding of how the performance appraisal system works", "I know the criteria used by my employer to evaluate my performance", "I understand the standards of performance my employer expects" and *"My employer clearly communicates to me the objectives of the performance appraisal system",* And also had a high value of reliability (Cronbach α=, 89). A good value of homogeneity was also revealed (Kaiser-Meyer-Olkin index =, 755).

To assess an even higher level of clarity over the processes, the operationalization of a Communication scale was in need, and it was constructed by Sinickas (1998) and adapted to this paper with a total of 4 items and having only one factor: (1) Supervisor Communication. Its purpose is to evaluate clearly if there is communication between supervisors and employees and how well it's being done. Only one factor showed up upon an exploratory factor analysis within a total of 4 items, which consisted in: (a) Supervisor Communication (how well supervisors communicate with their employees). This measure was a 4 item Likert scale, namely *"My supervisor keeps me informed about things that are important", "My supervisor provides clear direction and priorities for the department", "My supervisor really listens when I speak to him"* and *"My supervisor communicates well with me one-on-one."* This scale attained also an excellent reliability (Cronbach α =, 91). The homogeneity value proved to be enough to be tested and analyzed (Kaiser-Meyer-Olkin index =, 680).

8.3.2 Procedural Fairness (justice perceptions)

After examining a scale advised by Fields (2002) and constructed by Folger and Konovsky (1989), where it was proposed four factors: (1) Effectiveness of feedback; (2) Planning; (3) Resource; and (4) Observation; with a total of 23 items, we had to adapt it to something that fits our paper's criteria, deleting items that regard rewards' based questions, which led to a different factor analysis from the one done previously by Folger and Konovsky (1989). Our factor analysis showed two factors within a total of 20 items. In order to obtain a better analysis of the situation we needed to eliminate items with ambiguous values, namely *"Got input from you before a recommendation"* and *"Found out how well you thought you were doing your job"*. The next analysis gave us the following result: (a) Supervisor's Involvement that consists in how the supervisor is dealing with their employees during the performance evaluation process. This measure was a 13 item Likert scale (1-strongly disagree, 5-strongly agree), namely

"Was honest and ethical in dealing with you", "Gave you an opportunity to express your side", "Used consistent standards in evaluating your performance", "Considered your views regarding your performance", "Gave you feedback that helped you learn how well you're doing", "Was completely candid and frank with you", "Showed a real interest in trying to be fair", "Became thoroughly familiar with your performance", "Took into account factors beyond your control", "Made clear what was expected from you", "Frequently observed your performance", "Obtained accurate information about your performance" and *"Asked for your ideas on what you could do to improve company performance"*. The scale showed an excellent reliability (Cronbach $\alpha=$, 971); and (b) Worker's Involvement that consists in how the employee is dealing with the supervisor durgin the performance evaluation process. This measure was a 5 item Likert scale (1-strongly disagree, 5-strongly agree), namely *"Review, with your supervisor, objectives for improvement", "With your supervisor, resolve difficulties about your duties and responsibilities", "Discuss, with your supervisor, how your performance was evaluated", "Develop, with your supervisor, an action plan for future performance"* and *"Discussed plans or objectives to improve your performance"*. The scale showed great reliability (Cronbach $\alpha=$, 89). Overall this scale revealed an excellent homogeneity (Kaiser-Meyer-Olkin =, 905).

8.3.3 Favoritism perceptions

The scale developed by Hodson, Creighton, Jamison, Rieble and Welsh (1994) and advised by Fields (2002) reveals one factor in the factor analysis: (1) Favoritism Situations, and has a total of 4 items. Our factor analysis showed that it remains the same, extracting one factor within a total of 4 items: (a) Favoritism Situations that consist in specific situations that favoritism is perceived by employees. This measure was a 4 item Likert scale, namely *"People at my workplace sometimes get credit for doing more than they actually do", "Some people at my workplace received special treatment because they are friendly with supervisors", "People at my workplace sometimes put off finishing tasks so they do not get assigned additional work"* and *"The work in my department is often more difficult than it needs to be because people in other departments do not do their jobs the best they could"*. The scale showed great reliability (Cronbach $\alpha =$, 833) and good homogeneity (Kaiser-Meyer-Olkin index =, 766).

8.3.4 Political Behavior (Organizational politics perception)

Kacmar and Ferris (1991) provided an Organizational Politics scale, with a total of 31 items and five factors: (1) Go along to get ahead; (2) Self-serving content; (3) Coworkers content; (4) Cliques; and (5) Pay and Promotion, which required some adaptations to be operationalized within our paper's criteria. Our factor analysis revealed one factor within a total of 20 items, eliminating 11 items which didn't apply to our specific research. Those items with ambiguous values were deleted, namely *"Promotions go to top performers", "Rewards come to hard workers", "No place for yes men", "People left because hard work was not enough to get ahead", "Don't speak up for fear of retaliation"* and *"Takes a while to learn who not to cross"*. Also there was items whose scale showed insufficient reliability, namely *"Get along by being a good guy", "People define their own standards if not specified", "You can get what you want if you ask the right person", "People who voice opinion do better", "Encouraged to speak out"* and *"People who come through in a crisis get ahead"*. The next step would be analysing the few remaining items and reconstruct the scale done by Kacmar and Ferris (1991), completing and adapting it to the reality present in the theoretical factors of this paper, obtaining the following result: (a) Political Communication consists in how people transmit intimidation or influential controls over others inside an organization. This measure was an 8 item Likert scale (1-strongly disagree, 5-strongly agree), namely *""In-groups" hinder effectiveness", "Build themselves up tearing others down", "Supervisors carry out pay and promotions unfairly", "People distort or selective report information", ""Squeaky wheel gets the grease" around here", "Influential group no one crosses", "Policy changes help only a few"* and *"Favoritism, not merit gets people ahead"*. This scale showed an excellent reliability (Cronbach $\alpha =$, 897). Overall this scale revealed a good homogeneity (Kaiser-Meyer-Olkin index =, 773).

8.3.5 Citizenship Behaviors

To examine these behaviors we used a construct developed by Williams and Anderson (1991) with a total of 21 items and divided in three factors: (1) OCBI; (2) OCBO; and (3) IRB. Despite the resemblance with the first scale, our scale only showed a factor analysis with two factors within a total of 21 items. As usual, first step is to eliminate those items with ambiguous values, namely *"Takes time to listen to coworkers problems and worries", "Passes along information to coworkers", "Attendance at*

24

work is above the norm", "Gives advance notice when unable to come to work",
"Adheres to informal rules devised to maintain order", "Neglects aspects of the job he
is obliged to perform", "Fails to perform essential duties" "Takes undeserved work
breaks", "Great deal of time spent with personal phone conversations" and
"Complains about insignificant things at work". The next step is to analyze the few
remaining items, which obtained the following result: (a) OCBO (behaviors directed to
the organization) that consists in actions by the employees that improve the organization
itself. This measure was a 6 item Likert scale (1-strongly disagree, 5-strongly agree),
namely *"Conserves and protects organizational property", "Adequately completes*
assigned duties", "Fulfills responsibilities specified in job description", "Performs
tasks that are expected of him", "Meets formal performance requirements of the job"
and *"Engages in activities that will directly affect his performance".* The scale showed
an excellent reliability (Cronbach $\alpha =$, 936); (b) OCBI (behaviors directed to
individuals) consists in situations that the employees help their teammates or
colleagues. This measure was a 5 item Likert scale, namely *"Helps others who have*
been absent", "Helps others who have heavy workloads", "Assists supervisor with his
work (when not asked)", "Goes out of way to help new employees" and *"Takes*
personal interest in other employees". The scale showed an great reliability (Cronbach
$\alpha =$, 817). Overall this scale showed great homogeneity (Kaiser-Meyer-Olkin index =,
836).

9. Results

The purpose of this paper is to analyze the way clarity of the performance evaluation system influences how employees perceive situations of justice, favoritism and organizational politics and how they act on the organization (see Table 2).

Table 2 – Bivariate Correlations

	M	ST	1	2	3	4	5	6	7	8
1 System Understanding	3,43	,990	(,890)							
2 Supervisor Communication	3,49	1,070	,538**	(,914)						
3 Supervisor's Involvement	3,31	,917	,624**	,823**	(,971)					
4 Worker's Involvement	2,75	,531	,461**	,643**	,747**	(,890)				
5 Favoritism Situations	2,73	,861	-,253*	-,337**	-,291**	-,328**	(,833)			
6 Political Communication	3,43	1,016	-,366**	-,277**	-,315**	-,311**	,778**	(,897)		
7 OCBO	1,21	,531	,341**	,332**	,308**	ns	ns	ns	(,936)	
8 OCBI	1,19	,476	ns	ns	ns	ns	,295**	,324**	,316**	(,817)

$**p < 0,01$; $*p < 0,05$; the diagonal shows the values of Cronbach's α

Bivariate Correlations (Clarity of the processes; Procedural Fairness; Political Behavior; Favoritism; Citizenship Behaviors)

Initially we conducted a bivariate correlation among those measures, obtaining the following results: regarding to the perceived clarity of the processes, and as expected these employee's perceptions are highly correlated with perceptions of procedural fairness/justice (Supervisor's Involvement and Worker's Involvement), namely System Understanding (r=, 624, p<.01; r=, 461, p<.01) – Levy and Williams (2002) claims that a higher understanding of the evaluation process brings a higher perception of procedural justice, and Supervisor Communication (r=, 823, p<.01; r=, 643, p<.01) – Lind and Tyler (1988) claims that in order to employees understand their role and what is actually being transmitted to them, it needs to exist a good and fluent basis of communication between supervisors and employees; regarding to correlation

found between the perceived clarity of the processes and perceived injustice (Favoritism Situations) it is, as expected, a negative one, namely System Understanding (r= -, 253, p<.05) and Supervisor Communication (r= -, 337, p<.01) – Rosseau (2004) claims that organizations with an unstable environment provoked by preferential treatment or favoritism situations affect negatively the communication between supervisors and employees, and consequently how employees understand the processes inside the organization; and finally regarding to the also negative correlation found between the perceived clarity of the processes and political behaviors (Political Communication), namely System Understanding (r= -, 366, p<.01) and Supervisor Communication (r= -, 277, p<.01) – Drory and Romm (1989) characterizes political behaviors into something negative, because these behaviors can be seen as a form of influence, control over others and such could affect negatively the perceptions of employees on clarifying the role of the evaluation processes.

Regarding to employee's perceptions of procedural fairness/justice, and as expected these perceptions are positively correlated with the OCBO behaviors, namely Supervisor's Involvement (r=, 308, p<.01) – Organ (1988) and Tepper and Taylor (2003) claim that under conditions of procedural fairness the employees tend to have citizenship behaviors towards the organization; regarding to perceived injustice we found a, not expected, positive correlation Citizenship behaviors, specifically OCBI, namely Favoritism Situations (r=, 295; p<.01) – despite the claims of Rosseau (2004) that preferential treatment or favoritism having a negative effect over employees, this relation between favoritism and citizenship behaviors is proved by empirical data that it is indeed positive; and finally regarding to political behaviors, there is a positive correlation with OCBI, namely Political Communication (r=, 324, p<.01) – despite the claim and research of Randall et. al. (1999), where they state that organizational politics affect negatively the behavioral reaction of employees, we found a positive relation between organizational politics/political behaviors and citizenship behaviors by the employees with their teammates.

It is important to note the unexpected positive correlation between Favoritism Situations and Political Communication and OCBI. This is probably due to if an individual or his team is having some sort of preferential treatment or under political influence, it is easier for him to abide and therefore help his teammates or colleagues.

Table 3 and 4 – Regression Analyses

		Perceived Fairness			Favoritism		
		Supervisor's Involvement		Worker's Involvement		Favoritism Situations	
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	
Intersections							
Control Variables							
Gender	ns	ns	ns	ns	ns	ns	
Age	ns	ns	ns	ns	ns	ns	
Years of experience	ns	ns	ns	ns	ns	ns	
Persons per Team	ns	ns	ns	ns	ns	ns	
Clarity of the system							
System Understanding		,26**		ns		ns	
Supervisor Communication		,68**		,55**		-,29*	
ΔR^2	,05	,69	,03	,40	,03	,11	
Adjusted R^2	,01	,72	-,01	,39	-,02	,07	

β Coefficients presented a t test with *p<0,05; **p<0,01

		Political Behavior	Organizational Citizenship Behavior				
		Political Communication	OCBO		OCBI		
	Model 7	Model 8	Model 9	Model 10	Model 11	Model 12	
Intersections							
Control Variables							
Gender	ns	ns	ns	ns	ns	ns	
Age	ns	ns	ns	ns	ns	ns	
Years of experience	ns	ns	ns	ns	ns	ns	
Persons per Team	ns	ns	ns	ns	ns	ns	
Clarity of the system							
System Understanding		-,27*		,24*		ns	
Supervisor Communication		ns		ns		ns	
ΔR^2	,05	,13	,06	,12	,09	,02	
Adjusted R^2	,002	,12	,02	,13	,05	,04	

β Coefficients presented a t test with *p<0,05; **p<0,01

Regression analyses (dependent variable: Supervisor's and Worker's Involvement; Favoritism Situations; Political Communication; OCBO; OCBI)

Subsequently, we conducted a linear regression using generalized least squares algorithm for each independent variable with 10 models. In the first step we used the control variables, specifically the socio-demographic ones in association with the Clarity of the role over the processes (System Understanding and Supervisor Communication): gender, age, years of experience (the age difference and experience could be useful in identifying differences on perceptions of employees) and persons per team.

In the second step we examine the degree of intensity System Understanding and Supervisor Communication explain Supervisor's Involvement and Worker's Involvement in terms of procedural fairness, Favoritism Situations, Political Communication and OCBO behaviors.

On a first observation, we can state that the socio-demographic variables do not explain Supervisor's and Worker's Involvement, Favoritism Situations, Political Communication or OCBO behaviors (Model 1, Model 3, Model 5, Model 7 and Model 9 respectively). Accordingly to the first hypotheses group we can confirm that System Understanding and Supervisor Communication influence positively Supervisor's Involvement with a β coefficient =, 26** and =, 68** respectively (H1a and H1b validated), but only Supervisor Communication influences positively Worker's Involvement with a β coefficient =, 55** (H1b validated). Looking at the model 2 we can observe a significant increase, associating the System Understanding and Supervisor Communication, of the adjusted R^2 to 72% (ΔR^2 model 2=69%), and at model 4 we observe a non-significant decrease on the adjusted R^2, socio-demographic variables in association with System Understanding and Supervisor Communication, equal to 39% (ΔR^2 model 4=40%).

Accordingly to the second hypotheses group we can confirm that Supervisor Communication influences negatively Favoritism Situations with a β coefficient =-, 29* (H2b validated), but System Understanding does not influence at all, with a non-significant β coefficient (H2a not validated). Looking at the model 6 we can observe a significant decrease in the adjusted R^2 to 7% (ΔR^2 model 6 = 11%).

Accordingly to the third hypotheses group we can confirm that System Understanding influences negatively Political Communication, with a β coefficient =-,

27* (H3a validated), but Supervisor communication does not influence, with a non-significant β coefficient (H3b not validated). Looking at model 8, we can observe that the Clarity of the role over the processes has an acceptable explanatory power over Political communication: Adjusted R^2=12% and ΔR^2 model 8 = 13%.

And finally on our fourth hypotheses group we can confirm that System Understanding influences positively OCBO with a β coefficient =, 24* (H4a validated), but Supervisor Communication does not influence, revealing a non-significant β coefficient (H4b not validated). Looking at model 10, we observe also an acceptable explanatory power by Clarity of the role over the processes variables onto OCBO behaviors towards the organization: Adjusted R^2=13% and ΔR^2 model 10 = 12%. To note that both System Understanding and Supervisor Communication proved to have a non-significant influence over OCBI.

10. Discussion

Some major contributions can be drawn from the results. We managed to prove there are in fact positive and negative influences, completing therefore the initial objectives proposed to be done on this research

Starting on the first objective, the influence of Communication and Understanding over Procedural Fairness, we could see how employees clearly perceive on a positive way the supervisor's initiatives in being fair during evaluation processes, when they are more communicative and the employees do understand well the evaluation processes that are being applied. But when it depends on how much effort the employee does to involve himself with the supervisor, only the perception of employees on how well the supervisors communicate has a positive influence over the perceived procedural fairness during evaluation processes.

On the second objective, we could observe that Communication and Understanding influence the perceived Favoritism by employees. However, the contribution drawn from this result is that only Supervisor Communication influences negatively how employees perceive situations where exist preferential treatment or favoritism. This unique relation can happen due to the fact that the information transmitted, as we seen in Schermerhorn, Hunt and Osborn (2002) assessment on

communication, is actually perceived as a supervisor's way of preferential treatment towards others', where he, for example, transmits more information to one employee than another.

On the third objective we managed to see that Communication and Understanding influence Organizational Politics and it was expected to be negative influence. Despite how well supervisors communicate with employees, it also matters the way they do it. This statement can be justified by the results drawn; that only the way employees understand their evaluation process can negatively influence how they perceive political behavior in the communication between the two parts. This may happen due to if the employees do not understand their evaluation processes or barely understand them, they believe that are being influenced into believing in something that is not entirely correct or they are receiving selective information under other influential group control.

Finally, on our fourth and last objective, we asserted that there is indeed a direct and positive influence of understanding the performance evaluation system onto citizenship behaviors directed to the organization. This means that it matters how good the employees understand the processes of evaluation that are being applied, for them to have a very positive behavior in helping the organization to develop and grow, such as complete tasks and responsibilities, engage in activities that will enhance his own performance and conserve equipment and materials provided by the organization.

Also some minor, but relevant, contribution can be drawn from the results. Seeing the possibility on how perceived favoritism and political behavior can influence citizenship behaviors towards other individuals is indeed interesting. On the course of this research, this finding can "open the door" to a future research related with subject of this paper. Testing the correlations between variables, it was found that favoritism and political behavior influence positively the citizenship behaviors of employees towards other individuals. And this may happen, as we earlier stated, due to when an individual perceives that he or his team is gaining favor or is part of an influential group, he would present a good behavior towards their teammates, helping them also to achieve their collective and individual goals.

11. Conclusion

Since the goal of organizations in using performance evaluation processes is to evaluate the performance of their employees, this research showed how important it is to facilitate the comprehension of the employees and promote communication between employees and supervisors, in order for the employees present themselves in the organization with a helpful behavior, that develop internally the organization, giving it more consistency and better performers. It also showed how important it is to notice their post perceptions after assessing if they understood the performance evaluation processes that are being applied to them, because those perceptions are susceptible of creating negative or positive effects throughout the organization. Therefore, we have the desire that organizations take into account the existence of the predominant factors present in this paper that can produce bad or good results in employees' performance.

As other studies and researches, we found ourselves limited by some variables that can draw attention for future research. The first limitation concerns the sample size, since it could prejudice the study if too low. The second limitation concerns the new policies that are being implemented and the old policies changes that are being applied, due to the economic crisis, in the Portuguese public sector. The amendments applied could result in fear of retaliation when employees answered the questionnaire, due to the subject of this thesis being a "touchy" subject. Finally the third limitation found is that SIADAP is working at 100%, but it is limited due to some of the employees were only evaluated once in the past two/three years. This should be addressed in order to preview if the biennial evaluation of SIADAP 3 and the 3 to 5 years evaluation of SIADAP 2 could be changed into an annual or six month evaluation again. It could show better and more consistent results of performance and maybe improve communication and understanding, especially for the newcomers, who would have to deal with their performance evaluation earlier.

After the critical analysis to this research, we can identify the possible directions for future research: first, a bigger sample size and a longitudinal study, would prove relevant in this case, since we are dealing with municipalities on the Portuguese public sector and the longitudinal type would permit a data retrieval presenting two moments, before SIADAP evaluation and after SIADAP evaluation; and secondly a research applied to the public sector during not so much disturbed times, as an economic crisis,

where the public sector is a susceptible target of changes with the intent to reduce the public debt, it can prove that people are more willing to answer the questionnaire and with more consistency. Thirdly the importance of Communication and Understanding in the performance evaluation processes cannot be unseen; our suggestion is to improve SIADAP in order to take in account better these variables. Before the performance evaluation to be applied, it is important that the entity who regularize SIADAP application makes sure that information is transmitted and distributed clearly and equally to everyone. Also it is important to check if the supervisors are communicating well with the rest of the employees; for that we suggest to include a communication subject in the performance evaluation process, so that the employees can evaluate and assess the welfare of communication. So for future research we suggest a test on whether this is possible or employees and supervisors would react well to such situation.

References

Arvey RD, Murphy KR. 1998. Performance Evaluation in Work Settings. *Annual Reviews Psychology*. 49:141-68. Annual Reviews.

Aryee, S., Chen, Z. X., & Budhwar, P. S. 2004. Exchange fairness and employee performance: An examination of the relationship between organizational politics and procedural justice. *Organizational Behavior and Human Decision Processes,* 94:1–14.

Beugré CD, Liverpool PR. 2006. Politics as determinant of fairness perceptions in organizations *In Handbook of Organizational Politics, edited by Eran Vigoda-Garot and Amos Drory.* 122-135. Sage Publications, Inc.

Buchanan D, Badham R. 1999. *Power, Politics and Organizational Change*. 39-72. Sage Publications, Inc.

Burney LL, Christine AH, Sally KW. 2009. A path model examining the relations among strategic performance measurement system characteristics, organizational justice, and extra- and in-role performance. *Accountancy, Organization and Society.* 34:305-21.

Cropanzano R, Folger, R. 1989. Referent cognitions and task decision autonomy: Beyond equity theory. *Journal of Applied Psychology.* 74:293-299.

Drory, A., & Romm, T. (1988). Politics in organizations and its perceptions in the organization. *Organizational Studies.* 9:165–179.

Esteves, I. 2005. *Análise das expectativas e atitudes dos funcionários face ao SIADAP em três institutos públicos.* Lisboa: Instituto Superior de Ciências do Trabalho e da Empresa, Dissertação de Mestrado em Políticas de Desenvolvimento dos Recursos Humanos.

Eisenberger R, Huntington R, Huntington S, Sowa D. 1986. Perceived organizational support. *Journal of Applied Psychology*. 71:500–507.

Fletcher C. 2001. Performance appraisal and management: The developing research agenda. *Journal of Occupational and Organizational Psychology,* 74:473–487.

Fletcher C, Perry EL. 2001. Performance appraisal and feedback: A consideration of national culture and a review of contemporary research and future trends. In **N. D. Anderson, D. S. Ones, H. K. Sinangil, & C. Viswesvaran (Eds.)** *Handbook of industrial, work and organizational psychology*. 1:127–144. London: Sage.

Fields DL. 2002. *Taking the Measure of Work: A guide to validated scales for organizational research and diagnosis*. 1:163-196. Sage Publications, Inc.

Folger R. 1977. Distributive and Procedural Justice: Combined impact of "voice" and improvement on experienced inequity. *Journal of Personality and Social Psychology.* 35:108-119

Folger R, Cropanzano R. 1998. *Organizational Justice and Human Resource Management.* Sage Publications, Inc.

Folger R, Konovsky MA. 1989. Effects of procedural and distributive justice on reactions to pay raise decisions. *Academy of Management Journal.* 32(1):115-130.

Greenberg J. 1996. *The quest for justice on the job*. *Thousand Oaks, CA: Sage.*

Hochwarter WA, Kacmar C, Perrewé PL, Johnson D. 2002. Perceived organizational support as a mediator of the relationship between politics perceptions and work outcomes. *Journal of Vocational Behavior.* 63:438-456

Hodson R, Creighton S, Jamison CS, Rieble S, Welsh, S. 1994. Loyalty to whom? Workplace participation and the development of the consent. *Human Relations*. 47(8):895-909

Ittner CD, Larcker DF, Meyer MW. 2003. Subjectivity and the Weighting of Performance Measures: Evidence from a Balanced Scorecard. *The Accounting Review.* 78(3):725-58.

Jawahar IM. 2007. The influences of perceptions of fairness on performance appraisal reactions. *Journal of Labor Research.* 28:735–754.

Kacmar KM, Ferris GR. 1991. Perceptions of Organizational Politics Scale (POPS): Development and Construct Validation. *Educational and Psychological Measurement*. 51:193-205

Katz D, Kahn RL. 1966. *The social psychology of organizations*. *New York: Wiley.*

Kavanagh P, Benson J, Brown M. 2007. Understanding performance appraisal fairness. *Asia Pacific Journal of Human Resources.* 45(2):132-50

Kline TJ, Sulsky LM. 2009. Measurement and Assessment Issues in Performance Appraisal. *Canadian Psychology Journal.* 50(3): 161-71.

Konovsky, M. 2000. Understanding procedural justice and its impact on business organizations. *Journal of Management*. 26(3): 489–511.

Levy PE, Williams JR. 1992. The Effects of Perceived System Knowledge on the Agreement between Self-Ratings and Supervisor Ratings. *Personal Psychology Journal.* 45:845-57.

Levy PE, Williams JR. 1998. The role of perceived system knowledge in predicting appraisal reactions, job satisfaction, and organizational commitment. *Journal of Organizational Behaviour.* 19:53-65.

Levy PE, Williams JR. 2000. Investigating some Neglected Criteria: the Influence of Organizational Level and Perceived System Knowledge on Appraisal Reactions. *Journal of Business and Psychology.* 14(3):501-13.

Levy PE, Williams, JR. 2004. The social context of performance appraisal: A review and framework for the future. *Journal of Management*, 6:881–905.

Masterson SS, Lewis K, Goldman BM, Taylor MS. 2000. Integrating Justice and Social Exchange: The Differing Effects of Fair Procedures and Treatment on Work Relationships. *Academy of Management Journal*. 43(4):738-748.

Moorman RH. 1991. Relationship between organizational justice and organizational citizenship behaviors: Do fairness perceptions influence employee citizenship? *Journal of Applied Psychology.* 76(6):845-855

Murphy K., Cleveland J. 1995. *Understanding performance appraisal: Social, organisational, and goal based perspectives.* Thousand Oaks, CA: Sage.

Organ D. 1988. *Organizational citizenship behavior: The good soldier syndrome.* Lexington, MA: Lexington Books.

Pichler S. 2012. The Social Context of Performance Appraisal and Appraisal Reactions: A Meta-Analysis. *Human Resource Management.* 51(5):709–732.

Prendergast C, Topel RH. 1996. Favoritism in Organizations. *Journal of Politcal Economy.* 146(5): 958-78.

Randall M, Cropanzano R, Bormann C, Birjulin A. 1999. Organizational Politics and organizational support as predictors of work attitudes, jobe performance, and organizational citizenship behavior. *Journal of Organizational Behavior.* 20:159-174.

Rousseau DM. 2004. Under-the-table Deals: Preferential, Unauthorized or Idiosyncratic? In *The Dark Side of Organizational Behavior.* 9:262-290. Jossey-Bass.

Rousseau DM. 2001. The idiosyncratic deal: Flexibility versus fairness? *Organizational Dynamics.* 29:260-273

Rousseau DM, Kim TG. 2003. *Idiosyncratic deals: When workers bargain for themselves.* Unpublished manuscript. Carnegie Mellon University, Pittsburgh.

Salimäki A, Jämsén S. 2009. Perceptions of politics and fairness in merit pay. *Journal of Managerial Psychology.* 25(3):229-251

Schermerhorn JR, Hunt JG and Osborn RN. 2008. *Organizational Behavior* (Tenth Edition) 14:318-335. John Wiley and Sons, Inc.

Sharlicki D, Folger R. 1997. Retaliation in the workplace: The roles of distributive, procedural, and interactional justice. *Journal of Applied Psychology.* 82(3):434 - 443.

Sharlicki D, Folger R. 2004. Broadening our understanding in Organizational Retaliatory Behavior *In The Dark Side of Organizational Behavior.* 9:262-290. Jossey-Bass.

Smith C, Organ D, Near J. 1983. Organizational Citizenship Behavior: Its nature and antecedents. *Journal of Applied Psychology.* 68(4):653-663.

Tepper BJ, Taylor EC. 2003. Relationships among Supervisors' and subordinates' procedural justice perceptions and organizational citizenship behaviors. *Academy of Management Journal.* 46(1):97-105

Thibaut, J., and L. Walker. 1975. *Procedural justice: A psychological examination.* Hillsdale, NJ: Erlbaum.

Vicente M, Stoleroff A. 2012. *Análise das atitudes dos funcionários públicos face à implementação do SIADAP no sector hospitalar.* Lisboa: ISCTE, 2009. Dissertação de mestrado.

Wiemann, JM. 1977. Explication and Test of a Model of Communicative Competence. *Human Communication Research.* 3(3):195-213

Attachments

Table 5 − Exploratory Factor Analysis of Understanding Processes scale

Items	Factor 1
α *de Cronbach*	*,890*
1-System Understanding	
I have a real understanding of how the performance appraisal system works	**,866**
I understand the standards of performance my employer expects	**,800**
My supervisor and I concur on the meaning of the criteria used in the performance appraisal system	**,785**
I understand the performance appraisal system being used in my agency	**,774**
I understand the objectives of the present performance appraisal system	**,746**
I know the criteria used by my employer to evaluate my performance	**,731**
My employer clearly communicates to me the objectives of the performance appraisal system	**,722**

N=93. Kaiser-Meyer-Olkin Index =0,755. The total variance is explained by the factor 1 in 40,1%. The factor loadings were obtained by *Varimax* rotation.

Table 6 – Exploratory Factor Analysis of Communication Processes scale

Items	Factor 1
α *de Cronbach*	*,914*
1-Supervisor Communication	
My supervisor provides clear direction and priorities for the department	**,905**
My supervisor really listens when I speak to him	**,900**
My supervisor communicates well with me one-on-one	**,892**
My supervisor keeps me informed about things that are important	**,872**

N=93. Kaiser-Meyer-Olkin Index =0,680. The total variance is explained by the factor 1 in 79,6%. The factor loadings were obtained by *Varimax* rotation.

Table 7 − Exploratory Factor Analysis of Procedural Justice scale

Items	Factor 1	Factor 2
α de Cronbach	,971	,890
1-Supervisor's Involvement		
Was honest and ethical in dealing with you	**,895**	,205
Considered your views regarding your performance	**,893**	,284
Showed a real interest in trying to be fair	**,840**	,281
Was completely candid and frank with you	**,818**	,239
Gave you an opportunity to express your side	**,805**	,099
Gave you feedback that helped you learn how well you're doing	**,771**	,315
Obtained accurate information about your performance	**,765**	,404
Made clear what was expected from you	**,760**	,167
Took into account factors beyond your control	**,744**	,278
Used consistent standards in evaluating your performance	**,743**	,411
Asked for your ideas on what you could do to improve company performance	**,733**	,442
Became thoroughly familiar with your performance	**,723**	,268
Frequently observed your performance	**,523**	,430
2-Worker's Involvement		
With your supervisor, resolve difficulties about your duties and responsibilities	-,040	**,787**
Discuss, with your supervisor, how your performance was evaluated	,301	**,771**
Develop, with your supervisor, an action plan for future performance	,547	**,727**
Review, with your supervisor, objectives for improvement	,507	**,684**
Discussed plans or objectives to improve your performance	,501	**,680**

N=93. Kaiser-Meyer-Olkin Index =0,905. The total variance is explained by the factor 1 in 62,9% and in 7,7% by factor 2. The factor loadings were obtained by *Varimax* rotation.

Table 8 – Exploratory Factor Analysis of Favoritism scale

Items	Factor 1
α *de Cronbach*	*,833*
1-Favoritism Situations	
People at my workplace sometimes get credit for doing more than they actually do	**,901**
Some people at my workplace received special treatment because they are friendly with supervisors	**,896**
People at my workplace sometimes put off finishing tasks so they do not get assigned additional work	**,831**
The work in my department is often more difficult than it needs to be because people in other departments do not do their jobs the best they could	**,629**

N=93. Kaiser-Meyer-Olkin Index =0,766. The total variance is explained by the factor 1 in 67,5%. The factor loadings were obtained by *Varimax* rotation.

Table 9 – Exploratory Factor Analysis of Political Behaviors scale

Items	Factor 1
α de Cronbach	*,897*
1-Political Communication	
"In-groups" hinder effectiveness	**,861**
Build themselves up tearing others down	**,808**
People distort or selective report information	**,798**
Policy changes help only a few	**,782**
Favoritism, not merit gets people ahead	**,756**
Influential group no one crosses	**,712**
Supervisors carry out pay and promotions unfairly	**,705**
"Squeaky wheel gets the grease" around here	**,624**

N=93. Kaiser-Meyer-Olkin Index =0,773. The total variance is explained by the factor 1 in 36,9%. The factor loadings were obtained by Varimax rotation.

Table 10 − Exploratory Factor Analysis of Org. Citizenship Behavior scale

Items	Factor 1	Factor 2
α *de Cronbach*	*,936*	*,817*
1-OCBO		
Performs tasks that are expected of him	**,935**	,076
Fulfills responsibilities specified in job description	**,925**	,154
Adequately completes assigned duties	**,865**	,098
Meets formal performance requirements of the job	**,849**	,178
Conserves and protects organizational property	**,848**	,056
Engages in activities that will directly affect his performance	**,755**	,249
2-OCBI		
Goes out of way to help new employees	-,080	**,774**
Helps others who have heavy workloads	,310	**,771**
Takes personal interest in other employees	-,015	**,764**
Helps others who have been absent	,263	**,759**
Assists supervisor with his work (when not asked)	,242	**,708**

N=93. Kaiser-Meyer-Olkin index =0,836. The total variance is explained by the factor 1 in 48,7% and in 21,5% by factor 2. The factor loadings were obtained by *Varimax* rotation.