

# **Linking Performance Appraisal and Employee's Prosocial Behavior: Shedding a Light on Instrumental Value of Organizational Citizenship Behavior**

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# Definition of Organizational Citizenship Behavior

- “Individual behaviors that are discretionary, not directly or explicitly recognized by the formal reward system, and that in aggregate promotes the effective function of the organization” (Organ, 1988: 4).
- OCBs have been recognized as an important tool to compensate for the limitation of public service provision in bureaucratic organizations (Shim and Faerman, 2017)
- Employees’ OCBs contribute to sustaining high-level public services and protecting democratic values (Vigoda & Golembiewski, 2001)

# Traditional Approach of OCB: Good Soldier Syndrome

- Social exchange theory and self-determination theory
- The theories assumes that government employees are “good soldiers” who can reciprocate organizational support and have a prosocial orientation to help others
- Job satisfaction, organizational commitment, and public service motivation (PSM) as major antecedents of OCB (e.g., Abdelmotaleb and Saha, 2019; Ingrams, 2020; Shim & Faerman, 2017).
- However, few studies have provided specific HRM guidelines (e.g., performance appraisal) to enhance government employees' OCB.

# Explaining OCB from the Perspective of Impression Management Theory

- Employees might recognize OCB as a tool to demonstrate that they are more competent and committed than others in an organization (Salamon & Deutsch, 2006).
- Because engaging in OCB takes cost, employees are more likely to be engaged in OCB when they can obtain specific instrumental value (e.g., career advancement, power, performance appraisal).
- Because obtaining high-performance evaluation is an essential instrumental value that government employees pursue, they might decide their levels of OCBs based on their **perceived effectiveness of the performance management system**

# Performance Appraisal in the Public Sector Organizations

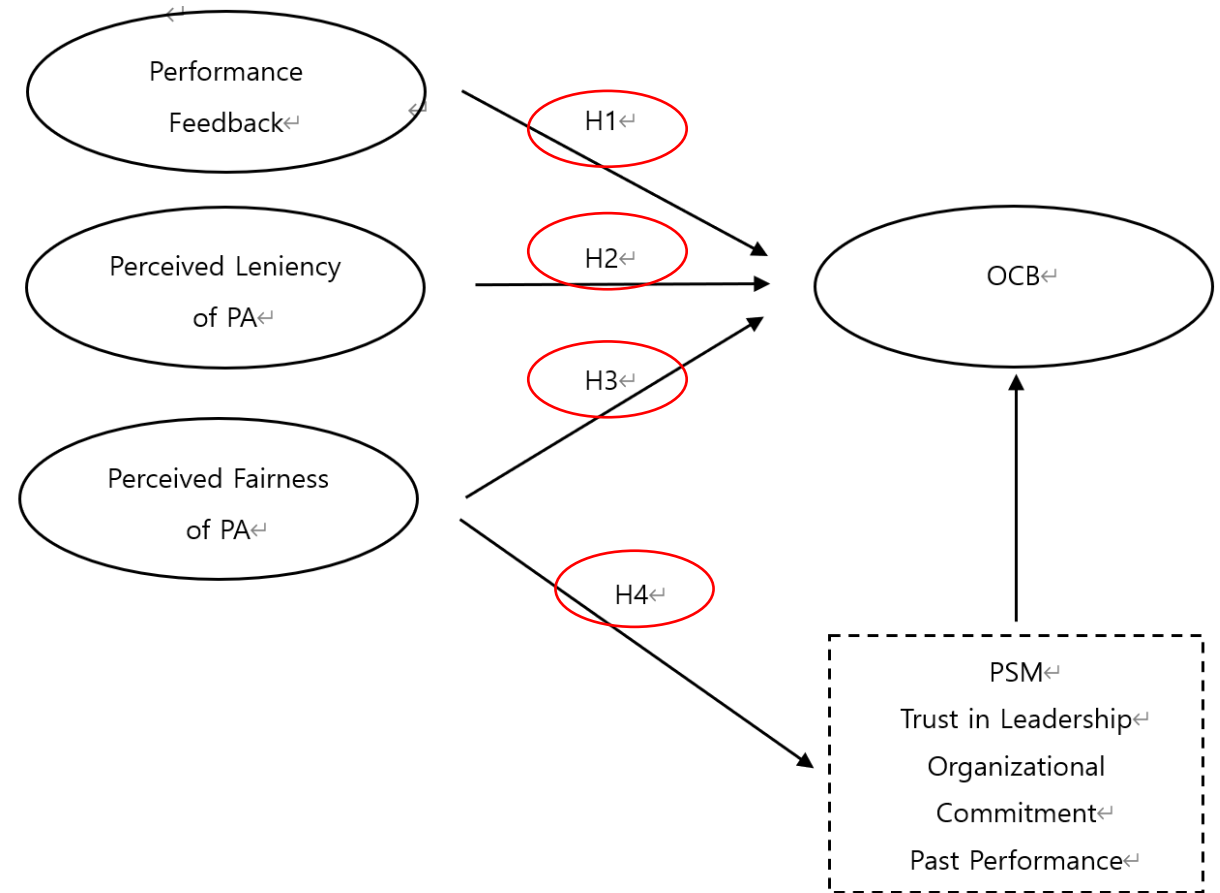
- Performance appraisal (PA) is important because PA aligns the strategic goal of an organization with employees' motivation.
- However, prior public management studies cast doubt on the effectiveness of the PA (Huber, 1983; Kellough & Nigro, 2002).
  - PA process is psychologically too demanding
  - Tend to provide a lenient evaluation to avoid emotional discomfort
  - Demotivate employees by having them compete against each other (Bowman, 1994)
  - Low level of employees' acceptance regarding the legitimacy of performance appraisal

# Research Question

- Because government employees tend to interpret administrative policy through a performance appraisal (PA) system, PA could significantly impact employees to determine their engagement in OCB (Findley et al., 2000).
- Examining the relationship between the employees' experience of performance appraisal and OCB could enhance our understanding of how the HRM system can improve employees' productivity.
- *How would practices and experiences of performance appraisal shape employees' OCB?*

# Research Model

- *Hypothesis 1: Performance feedback has a positive association with OCB.*
- *Hypothesis 2: Employee's perceived leniency of PA has a negative association with OCB.*
- *Hypothesis 3. An employee's perceived fairness of PA has a negative direct association with OCB.*
- *Hypothesis 4: An employee's perceived fairness of PA has a positive indirect association with OCB through trust in leadership and organizational commitment.*



# Sample and Data Collection

- **Collected by Public Performance Management Research Center at Seoul National University:**
- Data collection: Dec. 2019 ~ Mar. 2020
- **Respondents: 3,336 employees from 245 local government agencies in Korea**
  - Metropolitan area 23.5%; other local areas 76.5%
  - Public administrators 74.3%, technicians 24.0%, etc 1.7%
  - Male 57.9%, Female 42.1%
  - Grade7 31.6%, Grade9 at the time of employment 88.0%



# Measurement

- 27 items to measure eight variables. Items that measure OCB, performance feedback trust in supervisor, organizational commitment, and PSM was adapted from previously established studies (e.g., Perry, 1996; Smith, Organ, Near, 1983) and government employee surveys (i.e., Federal Employment View Point Survey; Human Capital Survey)
- **The perceived leniency of PA:** subtraction of employees' expectancy of PA from the actual rating of 2019. (i.e., the leniency of rating and leniency of rewards)
- **Past performance:** Respondent's answer regarding 1) the score of performance appraisal of 2018 and 2) the rate of performance-based pay of 2018.

# Results of Standardized Regression Analysis

- Model 1: Basic model
- Model 2: Full model with control variables
- Model 3: Additional Model to compare with model 2
- Robust results were reported in that the statistical significance and magnitudes of coefficients were consistent.

Dependent Variable: OCB	Model 1	Model 2	Model 3
Performance feedback	0.20 <sup>***</sup> (0.02)	0.12 <sup>***</sup> (0.01)	0.14 <sup>***</sup> (0.01)
Perceived leniency of PA	-0.25 <sup>***</sup> (0.01)	-0.14 <sup>***</sup> (0.01)	
Perceived leniency of performance results			-0.07 <sup>***</sup> (0.01)
Perceived leniency of performance-based pay			-0.05 <sup>***</sup> (0.01)
Past performance	0.27 <sup>***</sup> (0.01)	0.19 <sup>***</sup> (0.01)	0.18 <sup>***</sup> (0.01)
Perceived fairness of PA	0.37 <sup>***</sup> (0.01)	-0.10 <sup>***</sup> (0.01)	-0.11 <sup>***</sup> (0.01)
Trust in supervisor		0.20 <sup>***</sup> (0.01)	0.16 <sup>***</sup> (0.01)
Organizational commitment		0.28 <sup>***</sup> (0.02)	0.28 <sup>***</sup> (0.02)
Public service motivation		0.39 <sup>***</sup> (0.02)	0.41 <sup>***</sup> (0.02)
R <sup>2</sup>	0.37	0.68	0.59
AIC	6843.61	4628.72	4713.56
BIC	6880.29	4683.73	4774.69
Chi-Square (df)	1558.74 (4)	3779.64 (7)	3696.79 (8)
Note: Standard error in parenthesis. *** p<0.01; ** p<0.05; * p<0.1 AIC = Akaike Information Criterion; BIC= Bayesian Information Criterion df = degree of freedom			

# Results of Standardized Regression Analysis

- Consistent results with previous studies (trust, organizational commitment, Public service motivation)
- Performance feedback is important in sustaining employees' OCB
- Perception of the leniency of PA has a negative direct association with OCB.
- Perceived fairness of PA has a negative direct association with OCB

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# Standardized Direct and Indirect Effects of Perceived Leniency of PA and Performance Feedback

- Indirect effects of perceived fairness of PA are stronger than a direct effect
- Total effect of perceived fairness of PA was found to be positive

Table 4. Standardized Direct and Indirect Effects of Perceived Fairness on OCB based on Model 2

Effect of Performance Feedback on OCB	Estimates	[lower 2.5%, Upper 2.5%]
Total Effect	0.214	[0.179, 0.247]
Total Indirect Effect	0.309	[0.277, 0.339]
FAIR → LEAD → OCB	0.122	[0.102, 0.141]
FAIR → OC → OCB	0.188	[0.160, 0.214]
Direct Effect	-0.096	[-0.129, -0.061]

Notes: Bootstrapping method (n=3000) was adopted. OCB stands for organizational citizenship behavior, FAIR for perceived fairness of performance appraisal, LEAD for trust in leader, OC for organizational commitment

# Implication of the Study

- The public human resource system matter in encouraging (or hindering) government employees to be engaged in OCB.
- Public managers should understand that a lenient performance evaluation could reduce employees' productivity by reducing their OCBs.
- The efforts to develop a feedback environment should be made to sustain high performing human management system.
- How improving employees' perception of fairness would be critical to sustaining employees' initiatives in engaging in OCB

# Questions and Answer