Moderating Role of Performance Appraisal Politics on Transformational Leadership and Job Performance: A Proposed Framework

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Abstract

There is enormous literature available that explains the effectiveness of leadership styles over job performance. A large number of studies also explain that how this relationship could be improved further. To date, there have been several studies explaining the nature and influence of leadership styles over job performance. Despite the huge literature on this relationship, there is still a disagreement on which leadership styles influences job performance more effectively. In addition to this, the literature provides confusing results on the relationship between leadership styles and job performance. This is true particularly with regards to essential role of transformational leadership in facilitating job performance. Therefore, the present study proposes performance appraisal politics as a moderating variable on the relationship between transformational leadership and job performance.

Keywords: Transformational Leadership, Job Performance, Performance Appraisal Politics, Moderation, Conceptual Framework

1. INTRODUCTION

The past studies have witnessed that job performance has remained the center of interest for the researchers in the domain of human resource management (Wall, Michie, Patterson, Wood, Sheehan, Clegg, & West, 2004; Jamal, 2007; Imran, Arif, Chima & Azeem, 2014). The performance of employees has always been considered as the key towards the success of organization and the job performance of employees. It has remained the topic of interest for the managers for every type of business and its scope (Motowidlo & Scotter, 2004). In this regard the researchers have paid great attention to find out those factors that influence job performance, influencing positively or negatively (Muhammad, Nadeem & Ashfaq, 2011). The researchers have not yet been agreed upon any single construct to measure job performance nor concluded definite way to gauge it. A study conducted by Tse and Chiu (2014) on job performance on five Banks of China has resulted differentiated outcomes of job performance of line managers and immediate subordinates.
Extensive literature on job performance has highlighted upon employee performance and other factors influencing it. Out of these studies many studies have shown significant relationship between job satisfaction and job performance (Judge, Thoresen, & Bono, 2001; Moynihan & Pandey, 2007). Other studies have reported relationship of motivation and job performance (Van Knippenberg, 2000; Halbesleben & Bowler, 2007) and other factors that affect performance include gender (Semadar, Robins, & Ferris, 2006) age (Ng & Feldman, 2008) salary (Lemieux, Macleod, & Parent, 2009), and stress (Hourani, Williams, & Kress, 2006). A recent study conducted by Pahi, & Hamid (2015) have determined positive relationship between leadership and commitment to service quality. The present study outlined job performance as effectiveness of individual behaviors that contribute to the organizational objectives (McCloy, Campbell, & Cudeck, 1994).

Wofford, Whittington, and Goodwin (2001), Geyer and Steyrer (1998), Bass (1985) pointed out in their studies that the leadership concentrate on strengthening relations in between managers and employees, they define the expectations of their subordinates, explain their roles and fulfill their requirements as they seek expected level of performance. Referring to past studies, scholars have found varied relationship in between leadership styles and job performance (i.e., positive, negative and no relation). The studies conducted by (Rad & Yarmohammadian, 2006), Voon, Ngui, and Ayob (2011) and Dolatabadi and Safa (2010) have found positive and significant relationship between leadership styles and job performance. Additionally, other studies resulted insignificant and negative relationship between transactional leadership styles and performance (Sheridan & Vredenburgh, 1978; Geyer, & Steyrer, 1998; MacKenzie, Podssakoff & Rich, 2001; Parry, 2003). Accordingly, Sheridan and Vredenburgh (1978) and O'Reilly and Roberts (1978) that there is no relationship between leadership styles and job performance.

This situation of inconsistent results calls for further attention towards the relationship between leadership styles and job performance. Particularly, present study proposes performance appraisal politics as a moderating variable on the relationship between transformational leadership and job performance drawing upon the guidelines of Barron and Kenny (1986).

2. LITERATURE REVIEW

2.1 TRANSFORMATIONAL LEADERSHIP AND JOB PERFORMANCE

According to Bass, Avolio, Jung, and Berson (2003) followers are motivated and feel inspired with the transactional leadership style. The key elements of transformational leadership are inspirational motivation and idealized influence (Bass et al., 2003). The motivation determines the thinking and innovativeness of the leaders (Bass & Avolio, 1995). Literature also emphasizes on the differences between transformational and transactional leadership (Burns, 1978). The transactional leadership offers reciprocal gain by providing benefits to employees on the basis of their performance.
Additionally, researchers have argued that the effectiveness of transformational in comparison to transactional leadership (Gardner & Stough, 2002). Moreover, studies have suggested that transformational and transactional leadership styles are entirely different than each other (Lowe, Kroeck, & Sivasubramaniam, 1996). Interestingly, researchers have suggested that leaders could behave in both of the ways of leadership. However, literature provides empirical support to the notion that transformational leadership is of more importance than transactional (Dvir, Eden, Avolio, & Shamir, 2002). Similarly, the work of Bass et al. (2003) has supported the effectiveness of transformational leadership with regards to improving effectiveness as well as efficiency. These researchers have further suggested that transformational leadership holds greater potential than transactional.

On emphasizing the importance of transformational leadership, researchers have explained that it enhances individual motivation (Glynn, 1996). This style of leadership also helps individuals in organizations in bringing innovativeness in the process, it also helps individuals in adopting and accepting changes that are positive (Hurley & Hult, 1998; Argyris & Sochon, 1996). Additionally, the transformational leaders promote learning culture at organizational level (Hurley & Hult, 1998; Argyris & Sochon, 1996). The positive aspect of transformational leadership lies in its emphasis on controlling decisions rather than relying on punishment mechanisms (Waldman, Bass, & Yammarino, 1990). One could conclude that this kind of leadership holds positive influence over organizations and specifically on the individuals in terms of helping them to adopt change and developing positive attitude towards learning new things. It helps individuals to understand complexities of real world problems associated with job performance for improving overall organizational effectiveness. Therefore, it becomes essential to pay appropriate attention towards this style of leadership.

2.2 PERFORMANCE APPRAISAL POLITICS AS A MODERATING VARIABLE

The term politics to express machinations in appraisal performance, most notably was initially used by Longenecker, Sims & Gioia, (1987). They defined politics as conscious attempts by individuals to get better or guard their own conflicting interests when courses of action are possible. The authors conducted a qualitative survey on performance appraisal by interviewing 60 executives. They found that the evaluators had almost always political motives in their mind when they did conduct performance appraisals. Particularly, the researchers provided documented proof that evaluators use discretion and consider the possible efficiency and consequences of their remarks while rendering performance appraisal. This was enlighten by Longenecker et al. (1987) in their findings that raters often rate the subordinates based on their own judgment and they were not concerned to give accurate ratings. Mostly the ratings were usually based on these influences the inspiration of raters to keep away from confrontations, that is regarded as more efficient managers and acquire the desired rewards for themselves or their subordinates.

The politics with regards to performance appraisals have been largely emphasized in
the literature (See for example Longenecker et al., 1987). Further to this, the extent of influence of politics over the assessment of employee performance has been denoted in the work of Tziner, Latham, Price, & Haccoun (1996). In doing so, the researchers have made utmost effort in explaining the critical influence of organizational politics over evaluations of employee performance. It is critically important for organizations to appropriately evaluate employee performance. However, this assessment has largely been influenced badly due to politics. Due to this fact, scholars have given much attention to the leadership styles, organizational politics and job performance in the past research (Bass, 1985; Geyer & Steyrer, 1998; MacKenzie et al., 2001; Lowe et al., 1996; Parry, 2003; Vigoda-Gadot, 2003; Vigoda-Gadot, 2007), and the researchers have come up with varying outcomes and found inconsistent results. Organizational politics is much studied in different perspectives such as employees’ perception of politics as a general or supervisors and subordinates perspectives and its effects on performance.

First, from the past literature it is observed that a limited research is conducted with regards to the moderating effect of performance appraisal politics on the relationship between leadership styles and job performance. A large number of studies are conducted to measure the effect of performance appraisal politics with employee outcomes like satisfaction, turnover intentions, commitment and loyalty to supervisors (Poon, 2004; Sogra, Shahid, & Najibullah, 2009; Spence & Keeping, 2011; Arshad, & Masood, 2013; Dhiman & Maheshwari, 2013; Ahmad, Lemba, & Ismail, 2010; Aziz, Saif, Qureshi, Rehman, & Khan,, 2013). According to Dhiman, and Maheshwari (2013) performance appraisal politics is sub set of organizational politics and can be considered similar or part of organizational politics. In addition, Breaux, Munyon, Hochwarter & Ferris (2009) have used perceptions of organizational politics variable as moderator between consciousness and job performance. In other studies political skill at work place is used as moderating variable (Bing, Davison, Minor, Novicevic, & Frink, 2011; Brouer, Harris, & Kacmar, 2011).

Secondly, according to Barron and Kenny, (1986) when the relationship between a predictor and criterion variables is found unexpectedly inconsistent or weak a moderating variable may be incorporated to further explain the situation. Therefore, the present study proposed performance appraisal politics as a moderating variable on the relationship between transformational leadership and job performance. This investigation is conducted in the light of fairness, equity and justice theory.

**Proposition:** Performance appraisal politics moderates the relationship between transformational leadership and job performance.

### 3. PROPOSED RESEARCH FRAMEWORK

Keeping in view the research evidence presented above, the research framework for the present study is proposed depicting moderation effect of performance appraisal politics on the relationship of transformational leadership and job performance. The research framework is depicted in the Figure 1.
4. CONCLUSION

The paper has proposed the moderating role of performance appraisal politics on the relationship between transformational leadership and job performance, as illustrated in Figure 1. Therefore, it is proposed to further validate the above framework as its results will offer important suggestions to the managers, practitioners and policy makers into the significant role of transformational leadership and performance appraisal politics in enhancing job performance.

5. REFERENCES


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