

# Tyler's Model Evaluation in Examining Employee Participation and Top Management Fairness in Employee Performance Appraisal

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An effective performance appraisal process reflects employees' satisfaction. For this reason, Top Neutrality and employee's participation have an essential role to play in the process. This study was aimed at assessing both employee participation and Top Neutrality's effectiveness in monitoring employees' performance appraisals, through the use of Tyler's quantitative approach. Respondents of this study were Bank Syariah's employees of D.I. Yogyakarta and Central Java. One hundred and seventy-five people were included in the sample, using quota and purposive sampling methods, while data were collected through interviews, observation and focus group discussion. The results revealed that only mid-level managers are involved in the appraisal and that the bonus value received is not based on the severity of responsibility.

**Key words:** *Performance appraisal, employees' participation, Top Neutrality, procedural justice*

## Introduction

Based on data compiled by Bank Indonesia over the last four years, the number of workers in the Sharia banking industry has been fluctuating. An increase of 10,396 people was observed from 2014 to 2015, from 2015 to 2016 it decreased by 949 people and, in 2017, it increased again by 387 people. This can be seen in the following table:

**Table 1. Number of Workers In Islamic Sharia Banking**

No.	Type of bank	2014	2015	2016	2017
1	BUS	41.393	51.413	51.110	51.068
2	UUS	4.425	4.403	4.487	4.678
3	BPRS	4.704	5.102	4.372	4.619
	Totally	50.522	60.918	59.969	60.356

From the data in Table 1 above, the overall number of workers in Islamic banking experienced a relatively small increase, based on the increase in the number of workers in UUS and BPRS. Still, BUS continuously experienced a decline from year to year since 2015. It is probably because of the transfer of their employees to UUS and BPRS. However, fair performance evaluation of employees is one of the determinants of their liquidity level in an organisation. Assessment of their work performance can be carried out formally or non-formally by their superiors. Non-formally, superiors subjectively assess the performance of their subordinates at any time. Formally, the performance appraisal is carried out based on the standard procedures established in the office, so that the process will be more objective.

Apak explained that performance is a systematic management process. For the process to be successful, the management ought to adopt a strong administrative mentality. During this process, the phases of planning, appraisal and development need to be actuated significantly. Strong human resources management can only be achieved through strong performance appraisal. In today's competitive markets, when performance appraisals of management is oriented to marketing and sales, the motivation of employees will be focused on profit targets. Here, the most significant variables, e.g. "time, amount, quality, costing, health and security standards" shall be implemented according to the requirements of an organisation's performance management systems (Apak *et al.*, 2016).

Meanwhile, the benefits of carrying out employee performance appraisal are to create goals or policy directions for the company as a whole, including communication goals, planning objectives, set control points, employee commitments to determine goals, freedom and independence in fulfilling tasks, and ongoing communication as a step to realise a company's strategy to improve employee effectiveness (Islami, Mulolli and Mustafa, 2018).

In line with research conducted by Sanyal – on employee attitudes towards performance appraisal working in the software industry – it has been found that line managers play an essential role in the employee performance appraisal process, and must be able to review specific issues in conducting employee appraisals, considering company size and business focus (Sanyal and Biswas, 2014).



Performance appraisal is always linked with the achievements of employees in a company. Most studies see employees as the company's most valuable asset, and at the same time, negotiate a complex range of issues that affect overall company performance. For these reasons, companies need to conduct performance appraisals to control the work of these employees (Alefari, Fernández Barahona and Saloniitis, 2018). However, performance appraisal is not the only thing that can determine employee achievement. Good quality training is another important factor in improving employee performance, as well as mediating the gap between company performance and industry productivity standards, while being able to enhance the quality of product efficiently and effectively (AL-Sinawi, Piaw and Idris, 2015). In practice, performance appraisal is an essential tool for measuring the performance of employees and the company as a whole, although it can be a problem when some employees do not understand the importance of performance appraisal, because they feel that the appraisal is not fair in viewing employees as individuals, and see it as an obligation of the company that must be carried out routinely.

Conversely, those employees who look positively at the performance appraisal will be satisfied if the performance appraisal has a positive impact on salary increases, promotions, training and development, rewards, and incentives, such as benefits and insurance (Ibeogu and Ozturen, 2015). Therefore, to assess the performance in a way that can be supported by employees, it is necessary to involve employees in the implementation of performance appraisal, making it fair and transparent and fostering trust between individuals and the company (Nair and Salleh, 2015). For a company, fair and transparent assessment is essential in order to avoid subjective assessment mistakes, and to ensure that no one party is harmed or deliberately sacrificed (Choon and Embi, 2012). For Choon and Embi (2012), subjectivity tends to be the main form of unfairness that causes inequity in performance appraisal.

Research on the dimensions of fairness in work assessment (distributive, procedural and transparency) conducted by Selvarajan, Singh and Solansky (2018) prove that all dimensions of fairness in work appraisal are positively related to leader-member exchange (LMX) and a motivation to improve employee performance. On the other hand, employee performance appraisal cannot be separated from the company's context. To develop a good employee performance appraisal system, and achieve high performance in regards to the implementation of the overall corporate strategy, a company's organisational context is critical (Rusu, Avasilcăi and Huțu, 2016).

The results of other studies conducted by Iqbal *et al.* (2019) – using Greenberg's expectations and taxonomy theory exploring the role of several mediators as a series of rate reactions referenced by people and organisations – revealed various aspects related to the relationship between performance appraisal objectives and the effectiveness of performance appraisal. They explain that the results of structural equation modelling analysis show that performance



appraisals that focus on individuals better serve employees. In contrast, performance appraisals that focus on positions and organisations better serve organisational perspectives.

Employee participation is an authority given by the company to workers, allowing them to make decisions in certain capacities to contribute to the company's overall performance. In organisations, employee participation is needed for its ability to offer dynamic authority and maximise a company's performance, based on its competencies. By providing informal trust and control to employees, managers can build trust and employee competence (Wohlgemuth *et al.*, 2019). Employee participation is often associated with decision making, which is generally considered from cognitive and affective angles. Park's (2012) results show that self-managing teams and group incentives are positively related to information sharing, which in turn is positively related to organisational commitment and perceptions of company performance, with cross-cultural implications.

The importance of employee involvement in a company is evidenced by Wang, Zhou and An's (2017) research, which explains that a supportive intergenerational climate, top management support, and organisational institutions are three important factors in organisations to create knowledge transfer and regeneration. Top management support has a significant influence on employee perceptions in their involvement. Employee participation can also improve the quality of work of these employees (Groen, Wouters and Wilderom, 2017). Managers' efforts to involve employees in marketing activities and decisions can improve marketing performance itself (Çelik, 2014). The ability of employees to be able to participate and engage in non-managerial decisions is influenced by the relational mechanism that comes from "social capital", which comes from the family (Pittino *et al.*, 2016). Trust is the catalyst in organisational relations for employees, which is related to the fairness of performance appraisal and employee involvement (Nair and Salleh, 2015).

Job satisfaction is one important factor for employees in increasing company productivity. Job satisfaction that impacts employee performance is inseparable from the factors of employee freedom and independence in developing their abilities and skills at work. Life balance between work and family also determines the level of an employee's job satisfaction. It can be concluded that there is a positive correlation between work autonomy on job satisfaction. At the same time, the work-family conflict has a negative mediating effect on the relationship between work autonomy and job satisfaction (Gözükara and Çolakoğlu, 2016). Research has shown that there is a positive relationship between creativity, job satisfaction, job stress and employee turnover in a company (Tongchaiprasit and Ariyabuddhiphongs, 2016). Job satisfaction is also very closely related to work status in a company, namely between the status of part-timer employees and permanent employees, which leads to differing levels of performance (Al and Anıl, 2016). Employees being in trouble with top management can also psychologically affect job satisfaction of the employees in a company (Xie *et al.*, 2017). Job satisfaction is also influenced



by management style and company policy, helping develop employee competencies through training to provide the best service for customers (Hewagama *et al.*, 2019). Job satisfaction can also be influenced by emotional intelligence and emotional work (Wen, Huang and Hou, 2019), as well as by the impact caused by work-life balance (WLB) (Haar *et al.*, 2014). Emotional demands affect job satisfaction for employees (Roxana, 2013), and interesting research in the UK shows the effect of job satisfaction on genital transition activities (Drydakis, 2017). Work status and social recognition in an employee environment also correlates positively with job satisfaction (Kwon, Byun and Park, 2020). Retention of home health nurses factors also affects the level of job satisfaction for employees (McCreary, 2020). Time perspective, associated with the level of work saturation, correlates with employee job satisfaction (Akirmak and Ayla, 2019). Differing job content, personalities and competencies can also affect employee job satisfaction (Zhao, Hwang and Lim, 2020).

## Methods

A qualitative approach was employed in this study. Its research methodology investigates social phenomena and human problems. A descriptive method was used to implement this research. Some of the phenomena observed were related to the method, including the assessment of employee performance based on attributes of employee participation and neutrality of supervisors. Data were collected using (1) in-depth interviews; (2) participant observation and (3) focus group discussion (FGD).

The subjects of this study were all 306 permanent employees of PT. Bank BNI Syariah in the Region of Central Java and DI Yogyakarta. The sampling methods used to determine the number of samples were quota and purposive methods, and 175 samples were observed.

## Results and Discussion

The results revealed that most of the respondents, 61.49 per cent of the sample, had worked at PT. Bank BNI Syariah Region of Central Java and Special Region of Yogyakarta for more than five years, 22.41 per cent for 3-5 years, and the rest, 16.09 per cent, had been there for less than three years. The research was limited to permanent employees, because they had all passed the evaluation period before becoming permanent employees for at least six months.

It was conducted through the use of Tyler Evaluation Model, which matches objectives and goals with actual results of a program. The criteria used correspond to the goals or objectives set in the design program, and finding values – or data between them – were used to repair the errors and deficiencies in the program.

The following are the results of evaluating the use of employee participation and the neutrality of superiors in the work performance of Yogyakarta and Central Java D.I. BNI Syariah.

**Table 2. Tyler Evaluation Model – Employee Participation and Supervisors’ Neutrality in Performance Assessment**

Program Implementation Objectives	Dimension	Goal/Target	Outcome	Gap	Recommendation
Employee participation	Mentally and emotionally participatory	Employees provide ideas or ideas in the preparation of performance assessment standards.	Employees are mid-level managers (supervisors) who have direct access to the preparation of subordinates' performance appraisal standards.	Equitable distribution of ideas and ideas for performance appraisal is not optimum yet, because it does not involve all employees from various lines.	A rating form accompanies the performance appraisal standard, and it aims to facilitate a feedback process where superiors and subordinates discuss subordinate's performance and progress, and make plans for whatever development is needed. This is done as a modification of mental and emotional participation that was not applied in the standard preparation.
	Participatory motivation	Employees are involved in the feedback received from the evaluation, encouraging them to be more productive.	The employee's final motivation, when receiving an assessment of performance results, is an annual bonus. The feedback process does not work when the bonus earned is beyond their expectations.	The reward system, as part of the motivation for the performance appraisal process, seems unfair because of the inequality in the bonus earned by several divisions, where the lower risk division makes a higher bonus and the high-risk division earns a lower bonus.	The promotion process has become another attraction as an outcome of an employee performance appraisal. This can encourage employee motivation, leading to higher productivity.

	Responsibility	The employee performance appraisal is well constructed and responsible.	Some employees approve their supervisor's assessment, but others feel they were treated unfairly.	Unfairness as standard assessment components are not based on the severity of responsibility, type, skill level required, or physical requirements.	Performance appraisal does not only focus on standards of quantitative targets, but also on non-financial performance.
Super-visor neutrality	Consistency	Be clear about performance standards.	Some women leaders/managers are more progressive toward standards.	Each leader has their style and outlook in translating and internalising standards of performance appraisal.	Each standard is focused on performance feedback, mitigating gaps in translating performance assessment into standard language.
	Minimum bias	Performance appraisal is carried out objectively.	Emotional proximity between superiors and subordinates contributes to the performance appraisal process for certain divisions.	Subjectivity arises because the actors in the performance appraisal process are not robots that do not have feelings.	Minimising subjectivity between superiors and subordinates can be achieved through regular employee rotation.
	Oriented facts	The superiors assess the performance of subordinates with relevance to their work performance.	Quantitative figures provide clear facts as reference for employee performance appraisal.	No gap was found because the assessment standard was taken after target's were achieved, shown in quantitative figures.	One of the advantages of assessing performance using the standard quantitative figures is that it is fact-oriented.



## **Conclusion**

Based on the description above, the conclusion of this study is as follows:

1. Employee participation is not evenly distributed when preparing performance appraisal standards, as only mid-level managers are given the ability to make inputs.
2. Regarding responsibility and motivation, it was found that any bonus value received was not based on the severity of responsibility, type and skill level required, or physical requirements.
3. The neutrality of superiors at BNI Syariah is still constrained by some non-technical factors such as gender (female leaders tend to be more subjective and progressive), which are minimally effective towards achieving organisational culture.



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