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## IDENTIFYING CONTEXTUAL FACTORS OF EMPLOYEE SATISFACTION OF PERFORMANCE MANAGEMENT AT A THAI STATE ENTERPRISE

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Although there has been an increase in Performance Management (PM) literature over the years arguing that PM perceptions are likely to be a function of PM process components and contextual factors, the actual relationship between the contextual factors and employee satisfaction of PM remains little explored. Extending previous research, this study examines relationships between contextual factors and employees' PM satisfaction. Derived from the literature, these contextual factors are motivation and empowerment of employees, role conflict, role ambiguity, perceived organisational support, procedural justice and distributive justice. Seven directional hypotheses are tested accordingly through a series of regression analyses. This article finds that these contextual factors, with the exception of role conflict, are directly predictive of enhanced employees' PM satisfaction at the Thai state enterprise.



*Keywords: Performance management, contextual factors, performance management satisfaction, public organisations, Thailand.* 

rganisations across the public services around the world are facing enormous challenges and pressure to bring about change amidst the increasingly ambiguous and complex environmental context. The public sector organisations need to be re-invented to better meet expectations of their customers and stakeholders. Furthermore, increased globalisation also spreads the introduction of Western human resource management practices across borders in the private sector as well as the public sector.

This paper is concerned with the application of the Western practices of employee performance management (PM) in non-Western contexts, particularly within the public sector. Many studies about PM practices have been mostly carried out in the Western context with a limited amount of research in Eastern cultures (Fletcher, 2001; Rao, 2007).

By studying a Thai organisation in the public sector, a supplementary perspective from the public sector in an

#### Abstract

emerging country could be expected. The limited literature available on Thai and Western management is generally in line with the notion that Thai and Westerners differ in their work values (Hampden-Turner and Trompenaars, 1997; Hofstede, 1980). Holmes, Tangtongtavy and Tomizawa (1995) questions the applicability of the Western management practices to the Thai business environment. Possible reasons why the Western management practices should be evaluated in the Thai context include: (a) uniqueness in the way Thai people maintain harmony in the workplace; (b) how Thais tend to place a higher premium upon group rather than individual concerns; and (c) the way Thai people view the legitimate use of power by managers. Workplace harmony is obtained from Thais' concern for saving face, nonconfrontational and indirect culture, being aware of another person's feelings, being neutral, and self-restrained. The relationship orientation also encompasses gratitude and indebtedness to others. Management prerogative is maintained by very hierarchical culture, focusing on status-oriented relationships and respect for authority. According to Hofstede's (1980) model of work values, Thailand ranks high on Power Distance, high as a Collectivist culture, high on Uncertainty Avoidance, and high on Femininity.

Nevertheless, in the last 15 years, like other parts of the world, Asian economies have been affected by increased globalisation, economic and financial crisis (Chatterjee and Nankervis, 2007; Lehmann, 2009; Zhu, Collins, Webber, and Benson, 2008). These changes led to increased scrutiny of the traditional 'Asian value concept' governing organisational and managerial practices. Recent research on PM in South East Asian country (Vo and Stanton, 2011) has started to support the convergence approach. In addition, in studies in Thailand and Vietnam, national cultural traits are found to evolve and can be overridden by a strong organisational culture (Kantabutra and Saratun, 2011; Vo and Stanton, 2011).

Therefore, the available evidence so far indicates a need to examine the PM theory in Thailand. The present study examines relationships between employees' PM satisfaction and contextual factors at a Thai state enterprise. This research investigates individual PM, rather than group PM. The reason of this research choice is to investigate the application of the Western practices in opposite non-Western contexts, particularly within the high Collectivist culture. Next, the available literature on PM, employees' PM satisfaction and influencing contextual factors is reviewed, respectively. The design of the study is outlined in the third section. Results from survey are reported in the fourth section. The final section provides discussion.

#### LITERATURE REVIEW

#### Performance management (PM)

Within the HRM perspective, PM can be regarded as an extension of 'performance appraisal' (Thorpe and Beasley, 2004). In addition to appraisal, the evolved concept of PM has led to the inclusion of other elements, for example, the linkage and communication of a company's 'shared vision' through the cascade of the organisation's objectives and competencies to individuals in performance agreement, the use of regular feedback and reviews, and linking performance evaluation results to reward (Tahvanainen, 2000).

Much of the literature on the transfer of people management practices into different nation states focuses on HRM in general or performance appraisal in particular rather than PM (Lindholm, Tahvanainen, and Björkman, 1999; Paik, Vance, and Stage, 2000; Peretz and Fried, 2008; Vallance, 1999). Although PM covers many activities, a number of studies find that appraisal is still the main activity of PM, while the on-going feedback element is still lacking (Income Data Service, 2005; Rao, 2007). McAdam, Hazlett, and Casey (2005) administered their 700 questionnaires in one public organisation and found that employees were concerned that the PM approach was not continuously managed throughout the year and was in danger of becoming an annual event rather than an ongoing process. Furthermore, much of the academic research on PM has been focused on measurement issues and not interested enough in finding ways to provide feedback and improve performance, which has not really been helpful to practitioners who must find ways to improve performance (DeNisi and Pritchard, 2006). An effective use of PM systems requires a full cycle of PM activities, but so far this complete cycle of PM has remained under-explored. The definition of PM in this study covers performance agreements, formal appraisals that are periodically conducted, and on-going PM practices that may occur on a regular basis.

#### Employee satisfaction of PM

Success of a PM system can be influenced by many factors. Cardy and

Dobbins (1994) suggested that the appraisal effectiveness depends on the accuracy of a performance appraisal system and qualitative aspects such as participants' perception or reactions to the appraisal process. Guest (1999) argued that very little research focuses on employees' satisfaction or reactions to HRM practices such as PM. Much of the appraisal research in the past has been focused on cognitive processing and psychometrics in order to develop more reliable and valid measures of performance, ignoring qualitative outcomes such as employee perceptions (DeNisi and Pritchard, 2006). Many authors (Keeping and Levy, 2000; Levy and Williams, 2004) claim that reactions may be the most important indicator of effectiveness of appraisal. Their argument was that even the most psychometrically-sound appraisal system would be ineffective if employees did not perceive it as useful, fair and valid.

PM is no longer just about accuracy, but is about much more including development, ownership, input, perceptions of being valued, and being a part of an organisational team. These reactions may have implications for organisation's bottom line. Kuvaas (2007) found that employees with positive perceptions of performance appraisal have higher affective commitment and intrinsic motivation, while those with less positive perceptions are less committed and intrinsically motivated.

The established measures of appraisal satisfaction include system satisfaction, session satisfaction, perceived utility, perceived accuracy, and justice perceptions (Erdogan, Kraimer, and Liden, 2001; Keeping and Levy,

2000). These satisfaction measures focused only on appraisal, not PM. Reaction outcomes of PM included in the current study are satisfaction with setting performance measures and expectation, the extent and appropriateness of continuing follow-up and feedback, transparency and justice in determining reward, link between employee performance and reward received, and utility of the system such as motivating employees to improve These measures are performance. novel because they examine the satisfaction with the entire PM processes. The satisfaction measures used in this research focused on evaluations of a PM system as a whole rather than outcomes directly related to a specific feedback or appraisal session, as measured in past studies (Rao, 2007).

#### Influencing factors: PM context

One of the factors influencing employee satisfaction of appraisal is the nature of appraisal system. Existing research (Erdogan, et al., 2001; Taylor, Masterson, Renard, and Tracy, 1998) found that employees appraised within a due process approach (e.g., fair hearing, knowledge and validity of appraisal criteria) reported more positive appraisal perceptions. However, focusing research on the nature of performance appraisal system has failed to bridge the gap between research and practice (Levy and Williams, 2004). This is because focusing only on the nature of the appraisal system implies that all employees under the same system will have similar reactions and also introduces the practical problem that organisations want employees receiving low performance evaluation display more positive reactions. This motivates a search for other factors

that might be associated with favourable reactions, regardless of the nature of the feedback or the appraisal session (Elicker, Levy, and Hall, 2006).

There appears to be a reasonably large set of variables that are potentially important for understanding the PM process, but which have received inadequate attention (Levy and Williams, 2004). An increase in recent appraisal literature over the last ten years that has pointed in the right direction is discussion and study of the effects of the context on the appraisal process (Levy and Williams, 2004). Armstrong and Baron (1998) suggest that there are a variety of factors that need to be considered in order to fully understand PM such as work nature, individual management style, and internal and external contexts. Butterfield, Edwards, and Woodall (2004) found that the demands and expectations of staff and other stakeholders, and resource constraints appear to be key factors influencing the implementation of PM within the UK Police Service. Research dealing with other contextual factors may prove to be more helpful, since they have allowed us to better inform PM practices and to look beyond the simple interactions between rater and rate during appraisal when examining the effectiveness of PM. Although a new backdrop has emerged, limited study has been attempted to validate this suggestion (Levy and Williams, 2004).

The present study follows the contextoriented stream of work examining the importance of the existing contextual factors in determining employee reactions to performance appraisal (Levy and Williams, 1998, 2004). This may be the first empirical examination of the associations between the contextual factors and PM reactions, rather than just appraisal reactions. A variety of contextual factors can be categorised into three groups: line manager's behaviour factors, job factors, and organisational factors.

In terms of line manager's behaviour factors, managers' behaviours are believed to be associated with levels of employee satisfaction toward PM. One central argument is that performance management takes place within a social context (Levy and Williams, 2004), and the pre existing manageremployee relationship plays a large role in defining that context. PM is argued to be influenced by leadership style of line managers (e.g., Erdogan, 2002; Purcell and Hutchinson, 2007). Previous studies also showed that procedural justice relating to supervisor behaviours influence appraisal satisfaction (Gabris and Ihrke, 2000; Williams, McDaniel, and Nguyen, 2006). The line manager's behaviour factors examined in this study include how managers motivate and empower their staff, and provide procedural justice.

Regarding job factors, recent literature has emphasised that performance management has to be understood in relation to the nature of the work undertaken in a specific environment. Chang, Chi, and Miao (2007) suggested a negative relationship between role conflict and employee reaction on PM. Role Ambiguity can also be negatively predictive of PM satisfaction of staff. Under high role ambiguity, employees may be unable to make an accurate assessment about what is to be expected and evaluated. The job factors investigated in this research comprises role conflict and role ambiguity.

Lastly, literature suggests that PM satisfaction can be predicted by organisational factors. Levy and Williams (2004) argue that performance management takes place in an organisational context and that context plays a major role in how participants react to that process. Research of various firms in the UK by Swart and Kinnie (2003) reported that the employees' satisfaction to people management practices were influenced by their attitudes towards the organisations. Previous studies showed that distributive justice in organisation was associated with appraisal satisfaction (Gabris and Ihrke, 2000; Williams, et al., 2006). The organisational factors examined in this study include perceived organisational support and distributive justice. In sum, a variety of contextual factors associated with line manager's behaviour, job, and organisation are expected to influence employee perception of performance management. Relevant literature for each factor is discussed next.

#### Manager's behaviour factor: Motivation (motivating employees)

Motivation is the degree to which a manager energises his/her staff so that they will have a will to carry on, particularly in times of difficulty, and perform beyond expectations. According to reinforcement theories (Skinner, 1953), leaders can increase people's expectations about the relationship between their efforts and accomplishments particularly when followers meet the leader's high expectations. In doing so, followers' perceived self-efficacy, a strong source of motivation is enhanced (Bandura, 1986). Expectancy theory suggests that leaders may motivate followers by the following: spending time with followers and building self-confidence; showing appreciation when followers meet or exceed expectations; or addressing problematic performance issues by focusing on the work rather than individuals (Smith and Rupp, 2004). Effective leaders also motivate their followers through devices such as the use of role modelling and creating challenge (Locke, et al., 1991).

In this study, we propose that employee satisfaction with PM is influenced by the pre-existing pattern of how leaders motivate their employees. We expect employees who are motivated by their leaders to be more likely to be satisfied with PM than those who are not. They are likely to participate in PM activities with an initially higher level of trust in the leader; greater confidence in their ability to achieve positive outcomes; and possibly, based on more extensive communications with the leader. Furthermore, they may, in fact, actually receive better treatment from the leader and will likely interpret the resulting PM interaction more Motivation in this study positively. is operationally defined as the extent to which a supervisor is perceived by his/her subordinates to (a) act as a role model for subordinates, (b) build subordinates' self confidence, and (c) create challenges for subordinates.

## Manager's behaviour factor: Empowerment (empowering employees)

Leaders empower their people to enable their followers to act consistently with their vision and to assist in sustaining their commitment to it (Cowley and Domb, 1997). Empowerment emphasises delegation and genuinely passing power from higher organisational levels to lower ones (Carson and King, 2005), giving followers the independence to make decisions and commitments (Forrester, 2000). Leaders empower employees largely through their decisions about and commitments to whom they choose to assign to tasks and the amount and types of resources and support services they make available to employees (Nanus, 1992). Leaders have a primary responsibility to provide employees with the necessary resources and funding to perform the job properly (Aguinis, 2009).

The overall quality of empowerment is likely to have implications for employee perception of PM. Appraisal literature shows that if leaders behave in a less authoritarian manner and use their formal authority less frequently, employees may feel that they are being treated fairly and respectfully during the performance appraisal because the leaders may behave more sensitively (Erdogan, 2002). It could be hypothesised that employees receiving a greater degree of empowerment may perceive higher decision influence in PM process, and therefore may feel that they have more control over the PM practices. Accordingly, empowerment is defined in the present study as the extent to which a supervisor is perceived by his/her subordinates to (a) delegate work to subordinates, (b) provide resources and support services to subordinates, and (c) encourage subordinates to make more decisions regarding daily operations.

#### Manager's behaviour factor: Procedural justice

Procedural justice is the perceived fairness of the procedures underlying organisations' decisions about their employees (Thibaut and Walker, 1975). Procedural justice is accepted as an important perception in many contexts, including performance appraisal. Many studies on procedural justice have examined antecedents and consequences of justice perceptions during or after a specific performance appraisal event (Chang and Hahn, 2006).

In addition to the perceived procedural justice in a specific PM practice such as performance appraisal, employees also assess the justice of social entities as a whole (Cropanzano, Byrne, Bobocel, and Rupp, 2001). Their behaviours and attitudes also reflect the procedural justice experienced by other team members (Colquitt, 2004) and the procedural justice climate within the department which they work (Colquitt, Noe, and Jackson, 2002). This research examines this type of overall procedural justice. It is hypothesised that employees' perceptions of procedural justice of their manager in general will predict their satisfaction with PM.

Following Niehoff and Moorman (1993), procedural justice is defined in the present study as the extent to which a supervisor is perceived by his/ her subordinates to (a) make job decisions in an unbiased manner, (b) make formal job decisions by collecting accurate and complete information, (c) apply all job decisions consistently across all affected subordinates, (d) clarify decisions and provides addi-

tional information when requested by subordinates, (e) make sure that all subordinates' concerns are heard before job decisions are made, and (f) allow subordinates to challenge or appeal job decisions made by the supervisor.

#### Job factor: Role ambiguity

Role ambiguity has been generally described as the degree to which individuals perceive that necessary information is not clearly and consistently provided about how the employee is expected to perform his or her role (Katz and Kahn, 1978). The necessary job information can include authority, responsibilities, job duties, assignments, performance expectations, and other job conditions. High role ambiguity is associated with employees' lack of knowledge to properly identify activities that are within their role boundaries and to judge a list of various tasks, activities and behavioural requirements in terms of their contribution importance to accomplishing the work role (Dierdorff and Rubin, 2007).

Role ambiguity can directly pertain to employee perceptions of PM. Role ambiguity may negatively influence employees' reactions to PM because a basic requirement of an effective PM system is communication about what exactly is to be expected and evaluated. It could be theorised that employees perceiving high role ambiguity would be more inclined to be unable to make an accurate assessment of one's ability to perform a task and unable to visualise effective performance in a given situation, thereby reducing one's confidence in his/her ability to perform effectively. Role ambiguity is defined in the present study as it was by Rizzo, House, and Lirtzman (1970): the extent to which an employee perceived that they did not receive (a) explanations of what has to be done, (b) clear job responsibilities, (c) clear authority boundary, and (d) properly divided time.\_

#### Job factor: Role conflict

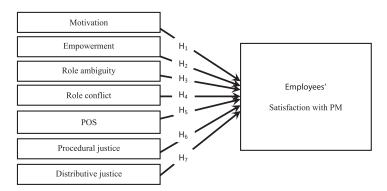
Role conflict reflects inconsistent job obligations or the degree to which work demands from two or more people are incompatible (Rizzo, et al., 1970). In jobs with high role conflict, there are multiple stakeholders who may have different standards and expectations (DeNisi and Kluger, 2000). Noor (2004) suggests that role conflict in the workplace can be categorised into three types. The first is where the time needed to fulfil one role leaves inadequate time to meet the requirements of fulfilling another. The second is where stress from fulfilling one role makes it difficult to meet the requirements of another. The third is where behaviours associated with one role make it difficult for employees to devote to other roles.

Of importance is the proposition that employees' PM reactions can be impacted by role conflict. When there are multiple stakeholders and multiple roles at work, employees are less inclined to be satisfied with their PM system. This may be because their stakeholders could not agree on how results are translated into evaluations. If employees' performance indicators are inconsistent with their multiple roles, then employees' performance will be more likely to fail to meet expected objectives and may result in employees' dissatisfaction with PM (Chang and Chi, 2007). Role conflict addressed in this study is defined, using definition developed by Rizzo et al. (1970), as the extent to which an employee perceived that he/she has to (a) break or ignore a rule or policy in order to carry out an assignment, (b) work with two or more groups who operate quite differently, (c) receive assignments without adequate resources and materials to execute them, (d) receive incompatible requests from two or more people, (e) do things that are likely to be accepted by one person and not accepted by others, (f) receive assignments without the manpower to complete them, (g) work on unnecessary things, and (h) do things in ways he/she does not agree with or thinks that they should be done differently.

#### Organisational factor: Perceived organisational support

Perceived organisational support (POS) is defined as employees' "beliefs concerning the extent to which the organisation values their contributions and cares about their well-being" (Eisenberger, Huntington, Hutchison, and Sowa, 1986, p. 501). Previous studies have investigated the impact of human resource practices on POS. POS displays positive relationships with: fairness in performance appraisal (Moorman, Blakely, and Niehoff, 1998); clear guidelines to appropriate work behaviour and job demands (Hutchison, 1997); participation in goal setting and receiving performance feedback (Hutchison, 1997); and, reaction to supervisors' evaluations of performance (Lynch, Eisenberger, and Armeli, 1999).

While the majority of existing research in this area has focused on examining



#### Figure 1. Proposed Hypotheses

POS as an outcome of appraisal and other HR practices, limited research has studied POS as the antecedents of employees' PM satisfaction. One of the few exceptions is the study by Erdogan (2002), which found that pre-appraisal POS is one of the antecedents of justice perceptions in appraisal. Extending the earlier study by Erdogan (2002), this research investigates an impact of POS on employees' PM satisfaction. The present research hypothesises that POS has an impact on PM satisfaction of employees. By the time individuals experience their first PM activities, employee perceptions of organisational support will already have been formed. Employees use their judgments of POS to estimate their effort-outcome expectancy. Following this, it is hypothesised that employees perceiving high POS would be more inclined to be more satisfied with PM.

In the present study, we used the definition taken from Eisenberger, et al. (1986) to define POS. POS is defined as the extent to which an employee perceives that his/her organisation (a) strongly considers his/her goals and values, (b) makes sure that help is available when the employee has a problem, (c) really cares about employees' well-being, (d) is willing to extend itself in order to help employees perform their job to the best of their ability, (e) cares about employees' general satisfaction at work, (f) cares about employees' opinions, and (g) takes pride in employees' accomplishments at work.

# Organisational factor: Distributive justice

Distributive justice has its origins in equity theory (Adams, 1965), which argues that employees compare the relative ratio of their input/output with those of others in order to assess fairness. Distributive justice includes perceptions of the tasks, responsibilities, workload, working time, and associated rewards and recognition outcomes received relative to the work performed.

In terms of distributive justice and PM, distributive justice has often been studied as the extent to which employees perceive that the pay and recognition system rewards them fairly. Distributive justice (pay equity) is found to be associated with pay and appraisal satisfaction (Gabris and Ihrke, 2000; Williams, et al., 2006). Like procedural justice measures, the measures of distributive justice used in this study are broad in focus. They assess percep-

tions of distributive justice in general, not focusing only on the perceived fairness of appraisal decision-making. Satisfaction with the performance appraisal can be predicted by employees' feelings toward distributive justice, which are measured before the appraisal (Tang and Sarsfield-Baldwin, 1996). Employee perceptions about distributive justice may influence how they respond to PM practices. Distributive justice addressed in this study is defined as the extent to which employees perceive that he/she receives (a) fair job responsibilities, (b) fair work schedule, (c) fair workload, (d) fair level of pay, and (e) fair rewards.

#### **Research hypotheses**

Based on the preceding literature review, the following hypotheses are proposed and presented in Figure 1.

- H1: Motivation is directly predictive of enhanced employee satisfaction with PM.
- H2: Empowerment is directly predictive of enhanced employee satisfaction with PM.
- H3: Role ambiguity is negatively predictive of enhanced employee satisfaction with PM.
- H4: Role conflict is negatively predictive of enhanced employee satisfaction with PM.
- H5: POS is directly predictive of enhanced employee satisfaction with PM.
- H6: Procedural justice is directly predictive of enhanced employee satisfaction with PM.
- H7: Distributive justice is directly predictive of enhanced employee satisfaction with PM.

#### **RESEARCH METHODS**

#### Sample and data collection

The sample was drawn from a stateowned enterprise in Bangkok, Thailand, that sells a public utility nationwide. The organisation has been established for more than 40 years and employs a total of 27,000 employees with appropriately 1,300 based in the Bangkok headquarters. The questionnaire was initially developed in English, and was translated into Thai for respondents by a bilingual professional translator, following the procedure recommended by Brislin (1993) to ensure translation equivalence in both versions. Then the Thai questionnaire was translated back to English by a different bilingual professional translator to ensure sufficient face validity. The English translation was consistent with the original English version. A pilot test was conducted with a sample of 175 state enterprise employees to minimise cultural sensitivity and ensure sufficient face validity of the questionnaire. Some question items were retained in their original form and others were adjusted or replaced accordingly.

The sample size was determined by using Yamane's (1973) table with the significant level of 0.01 and five per cent error value. As a result, a minimum of 869 respondents is required for the current study. Self-administered questionnaires were randomly distributed to 2,000 employees with a cover letter informing participants of the purpose of the study, that their participation would be voluntary, and their responses were received from 1,112 employees (response rate of 55.6 per cent), with 1,111 being usable for this study. Of the respondents, 73.9 per cent were male. Approximately 50 per cent of the participants in the current study held bachelor's degree qualifications and 62.8 per cent were aged between 40-54 years. Most respondents (65.8 per cent) reported working for their organisation for 15-29 years.

#### Measures

In establishing the measures of the studied variables, exploratory factor analysis with principal components extraction and varimax rotation was performed. The results of a subsequent factor analysis after item removal are showed in Table 1. All items loaded at more than .40 (e.g., Ford, MacCallum, and Tait, 1986, p. 296; Hair, Black, Babin, and Anderson, 2009). In addition to factor analysis, the items of studied variables were subjected to reliability analyses. All scales demonstrated reliability coefficients higher than the recommended value of .70 (Nunnally, 1978). With the exception of employee satisfaction of PM scale, responses to these items were recorded on a seven-point Likert scale ranging from 1 (strongly disagree) to 7 (strongly agree). For employee satisfaction of PM scale, each subordinate respondent was asked to indicate the extent from 1 (most dissatisfied) to 9 (most satisfied) to which he/she is satisfied with PM practices. For each scale, the items were summed to yield total scale scores. The following measures were used in the present study.

Employee satisfaction with PM was measured using six items developed by the authors, based on the literature. This scale assesses the extent to which employees are satisfied with the en-

tire PM process, including satisfaction with setting performance measures and expectation, the continuity and appropriateness of follow-up and feedback, transparency and justice in determining reward, link between employee performance and reward received, and utility of the system such as improving employees performance ( $\alpha = .95$ ). The measures used cover employee satisfaction with the beginning of the PM process (setting performance expectation), the middle part (the followup and continuing feedback), and the end of PM process (reward determination and improving employee performance). An example item for each respondent to indicate his/her extent of satisfaction is 'Determination of performance expectation and targets'.

POS was originally measured with nine items, shortened version of the Survey of Perceived Organisational Support (Eisenberger, et al., 1986). This scale assesses the extent to which respondents perceived that their organisation valued their contribution and cared about their well-being. An example item is 'Help is available from the organisation when I have a problem'. Two items ('Even if I did the best job possible, the organisation would fail to notice' and 'The organisation shows very little concern for me') displayed low factor loadings and were thus removed. According to Hinkin (1995), factor loadings for reversed-scored items are often lower than positively worded items that load on the same factor. The fact that these two items with the lowest factor loadings were reversed-scored items appeared to support this notion. Hence, the total score of POS was from seven items ( $\alpha = .91$ ).

Originally, motivation was measured via the three-item scale and empowerment was assessed with the threeitem scale adapted from Kantabutra and Avery (2007). Although theoretically and empirically in some studies (e.g., Kantabutra and Saratun, 2011) motivation and empowerment scales were reported to be distinct, the results of other research (Kantabutra, 2008) showed that some theoretically assumed empowerment items were more related to motivation items than the empowerment construct. A high correlation (r = .80, p < .001) between these two constructs was also identified (Kantabutra, 2007). Kantabutra (2008) concluded that the interrelationship between motivation and empowerment appeared complex and warranted future investigation. Based on the results of factor analysis in the current study, all empowerment and motivation items loaded on one factor. Therefore, the motivation scale and the empowerment measure were combined into one scale labelled motivation and empowerment to assess the extent to which a supervisor is perceived by his/ her subordinates to energise them to perform their tasks as well as to delegate power and give them the independence to make decisions ( $\alpha = .93$ ). An example item is 'My supervisor creates challenges for me'.

Procedural justice was measured with Niehoff and Moorman's (1993) sixitem scale assessing the degree to which accurate and unbiased information is gathered and employees are allowed to appeal against decisions ( $\alpha$ = .91). An example item is 'Job decisions are made by my supervisor in an unbiased manner'. Distributive justice was measured using five items developed by Niehoff and Moorman (1993). The scale assesses the fairness of different work outcomes, including pay level, work schedule, workload, and job responsibilities ( $\alpha = .85$ ). An example item is 'Overall, the rewards I receive here are quite fair'.

Role conflict was assessed with the 8-item scale obtained from Rizzo et al.'s (1970) Job-Related Strain Index to measure the degree to which there was consensus regarding the respondents' role expectations ( $\alpha = .77$ ). An example item is 'I receive incompatible requests from two or more people'.

Role ambiguity was measured via the four-item scale adapted from the Job-Related Strain Index developed by Rizzo et al. (1970). These four items assess the degree of uncertainty respondents felt about what actions to take to fulfil a role ( $\alpha = .84$ ). An example item is 'I know what my responsibilities are'. All items were reversed prior to analysis.

#### Data analysis

Prior to performing data analyses, preliminary data screening procedures were conducted. The results of evaluation of an absence of outliers, normality, linearity, homoscedasticity, and an absence of multicollinearity were satisfactory. In order to evaluate the hypotheses, a hierarchical regression analysis was conducted. The control variables namely, gender, age, and educational level were entered as a block at Step 1 and the contextual variables (i.e., motivation and empowerment, role ambiguity, role conflict, POS, procedural justice, and distributive

# Table 1. Principal Components Analysis of PM, Motivation, Empowerment,Role Ambiguity, Role Conflict, POS, Procedural Justice, andDistributive Justice

Items	POS	РМ	ME	PJ	DJ	RC	RA
Perceived organisation support (POS):							
The organisation really cares about employees' well-being	0.82	0.16	0.1	0.06	0.2	-0.1	-0.12
The organisation makes sure that help is available when the employee has a problem	0.8	0.13	0.11	0.08	0.17	-0.06	-0.08
The organisation is willing to extend itself in order to help employees perform their job to the best of their ability	0.8	0.13	0.15	0.1	0.17	-0.08	-0.13
The organisation strongly considers his/her goals and values	0.77	0.17	0.09	0.06	0.15	-0.07	-0.15
The organisation takes pride in employees' accomplishments at work	0.74	0.14	0.11	0.2	0.09	0	-0.09
The organisation cares about employees' general satisfaction at work	0.68	0.22	0.11	0.19	0.16	-0.08	-0.13
The organisation cares about employees' opinions	0.65	0.19		0.29		-0.05	
Performance management satisfaction (PM):							
Relationship between my performance and my reward	0.2	0.82	0.22	0.19	0.19	-0.09	-0.07
Fairness and transparency in the process of determining reward	0.2	0.79	0.22	0.24	0.14	-0.09	-0.06
Continuity and the appropriateness of my supervisor in following up my	0.2	0.78	0.3	0.21	0.13	-0.1	-0.15
performance							
Utility of PM system (i.e., PM improved my performance)	0.23	0.77	0.26	0.21	0.13	-0.06	-0.11
Determination of performance expectation and targets	0.25	0.76	0.2	0.08	0.11	-0.07	-0.16
Continuity and the appropriateness of my supervisor in providing feedback in order to improve my performance	0.21	0.74	0.33	0.23	0.13	-0.08	-0.14
Motivation and empowerment (ME):							
My supervisor builds my self confidence (M)	0.15	0.24	0.83	0.3	0.06	-0.04	-0.03
My supervisor creates challenges for me (M)	0.16	0.25	0.81	0.29	0.05	-0.04	-0.05
My supervisor acts as a role model for me (M)	0.08	0.25	0.79	0.3	0.09	-0.07	0.01
My supervisor delegates work to me (E)	0.06	0.12	0.78	0.05	0.08	-0.03	-0.16
My supervisor encourages me to make more decisions regarding daily operations (E)	0.18	0.25	0.75	0.21	0.11	-0.06	-0.12
My supervisor provides resources and support services to me (E)	0.17	0.25	0.73	0.15	0.17	-0.13	-0.06
Procedural justice (PJ):							
My supervisor clarifies decisions and provides additional information when requested by subordinates	0.19	0.26	0.28	0.74	0.2	-0.08	-0.07
All job decisions are applied consistently across all affected subordinates	0.15	0.29	0.29	0.73	0.23	-0.07	-0.04
My supervisor makes sure that all subordinates' concerns are heard before job decisions are made	0.24	0.22	0.29	0.73	0.17	-0.09	-0.1
To make formal job decisions, my supervisors collects accurate and complete information	0.16	0.28	0.33	0.66	0.26	-0.09	-0.11
Subordinates are allowed to challenge or appeal job decisions made by my supervisor	0.25	0.05	0.15	0.6	0.03	-0.03	-0.15
Job decisions are made by my supervisor in an unbiased manner	0.12	0.29	0.3	0.59	0.35	-0.07	-0.07
Distributive justice (DJ):							
I consider my workload to be quite fair	0.17	0.08	0.17	0.16	0.74	-0.12	-0.14
I feel that my job responsibilities are fair	0.23	0.08	0.18	0.17	0.7	-0.11	-0.17
My work schedule is fair	0.22	0.02	0.14	0.1	0.7	-0.08	-0.21
Overall, the rewards I receive here are quite fair	0.23	0.3	0.02	0.17	0.68	-0.01	-0.05
I think that my level of pay is fair	0.18	0.31	-0.01	0.19	0.67	-0.03	-0.06
Role conflict (RC):							
I receive incompatible requests from two or more people	-0.05	-0.08	-0.02	-0.11	-0.05	0.75	0.07
I do things that are apt to be accepted by one person and not accepted by others	-0.06	-0.12	-0.04	-0.17	0.06	0.68	0.01
I receive assignments without the manpower to complete them				0.03		0.61	0.04
I work on unnecessary things				-0.04		0.6	0.18
I receive assignments without adequate resources and material to execute them				0.11		0.6	-0.02
I work with two or more groups who operate quite differently	-0.04			-0.14			-0.13
I have to buck a rule or a policy in order to carry out an assignment	-0.06	0		-0.01	0.1		-0.04
I have to do things that should be done differently	0.05	0.02	-0.08	0.03	-0.09	0.5	0.02
Role ambiguity (RA):	0.15	0.11	0.1	0.0-	0.11	0.07	0.0=
I know what my responsibilities are (R)		-0.11			-0.11		0.85
I feel certain about how much authority I have (R)	-0.1			-0.13		0	0.82
Explanation is clear of what has to be done (R)				-0.17		0.03	0.76
I know that I have divided my time properly (R)	-0.16	-0.09	-0.06	-0.01	-0.12	0.07	0.69

Note. Items denoted by (R) are reversed scored.

·	ariau	105										
Variable	Mean	SD	1	2	3	4	5	6	7	8	9	10
1. Gender	.74	.44										
2. Age	5.33	1.83	.07*									
3. Education	1.65	.61	16***	19***								
4. PM	16.13	5.66	.01	.09**	14***	(.95)						
5. ME	32.76	9.89	.02	.02	07*	.60***	(.93)					
6. RA	8.80	3.13	.00	13***	.16***	35***	24***	(.84)				
7. RC	35.83	7.74	.13***	03	$.08^{*}$	22***	18***	.11***	(.77)			
8. POS	34.61	7.58	.07*	.09**	16***	.52***	.39***	37***	20***	(.91)		
9. PJ	28.40	7.64	.06	.10***	15***	.62***	.64***	33***	21***	.52***	(.91)	
10. DJ	25.62	5.43	.03	.17***	13***	.48***	.36***	38***	21***	.51***	.56***	(.85)

Table 2. Means, Standard Deviations, and Correlation Coefficients Between Variables

*Note.* ME = motivation and empowerment; POS = perceived organisational support; PM = performance management; RA = role ambiguity; PJ = procedural justice; DJ = distributive justice; RC = role conflict. Alpha coefficients appear in diagonal parentheses.

p < .05. p < .01. p < .001.

justice) were entered simultaneously at Step 2.

#### **RESULT AND DISCUSSION**

The means, standard deviations, and correlations among the variables in this study are presented in Table 2. The results of zero-order correlation analyses indicated that employee satisfaction of PM was positively correlated to motivation and empowerment (r = .60, p < .001), POS (r = .52, p < .001), procedural justice (r = .62, p < .001), and distributive justice (r = .48, p < .001), and negatively correlated to role ambiguity (r = ..35, p < .001) and role conflict (r = .22, p < .001).

Table 3 presents the results of the hierarchical regression analysis. After statistically controlling for the demographic variables at Step 1, the hierarchical regression analysis indicated that motivation and empowerment ( $\beta = .34, p < .001$ ) was positively related to employee satisfaction of PM, supporting Hypotheses 1 and 2. Role ambiguity ( $\beta = -.09, p < .001$ ) was found to be negatively related to employee satisfaction of PM and hence Hypothesis 3 was supported. No sig-

nificant relation was observed between role conflict and employee satisfaction of PM, providing no support for Hypothesis 4. Further, POS ( $\beta = .18, p <$ .001), procedural justice ( $\beta = .23$ , p <.001), and distributive justice ( $\beta = .10$ , p < .001) were positively related to PM, supporting Hypotheses 5, 6, and 7 respectively. The entry of these contextual variables at Step 2 explained an additional 49 per cent of the variance in employee satisfaction of PM  $(R^2 = .49, F(6, 998) = 118.10, p < .001)$ above and beyond the variance accounted for by the demographic variables. Together the complete model accounted for 51 per cent of the variance in employees' PM satisfaction ( $R^2$ = .51, p < .001). Note that age and educational level, which previously were significantly related to employees' PM satisfaction when they were entered with the other demographic variable, became non-significant predictors after the inclusion of the second block.

#### Discussion

The conceptual and empirical contributions of this paper include: (a) a study of performance management in the under-researched nation of Thai-

Variable	Total sample $(N = 1, 111)$					
		β	Tolerances	VIF		
Control variables						
Gender		02	.97	1.03		
Age		.06*	.96	1.04		
Education		13***	.94	1.06		
	df = (3, 1004)					
	F	7.66***				
	$R^2$	.02				
Contextual factors						
Gender		03	.95	1.06		
Age		.01	.94	1.07		
Education		02	.91	1.10		
Motivation and empowerment		.32***	.58	1.72		
Role ambiguity		09***	.79	1.26		
Role conflict		04	.91	1.10		
POS		.18***	.62	1.61		
Procedural justice		.23***	.44	2.27		
Distributive justice		.10***	.59	1.70		
	df = (6, 998)					
	F	118.10***				
	$\Delta R^2$	.49				
	$R^2$	.51				

Table 3. Hierarchical Regression Analysis of Contextual Factors on PM

*Note.* VIF = variance inflation factors.  ${}^{*}p < .05$ .  ${}^{**}p < .01$ .  ${}^{***}p < .001$ .

land; (b) an empirical examination of the previously overlooked contextual factor influence on employee PM satisfaction; and (c) an assessment of the 'neglected' full cycle of PM activities, not just appraisal. The results show (in order of relative impact) that motivation and empowerment, procedural justice, POS, and distributive justice are associated with higher levels of employee satisfaction toward PM, whereas role ambiguity are associated with lower levels of satisfaction toward PM. Furthermore, PM satisfaction is not predicted by role conflict.

As expected, a set of managerial behaviours in terms of Motivation and Empowerment is a direct predictor of enhanced employees' PM satisfaction in the present study. Given the direct and positive impact from motivation and empowerment on employees' PM satisfaction, scholars (e.g., Erdogan, 2002; Purcell and Hutchinson, 2007),

who asserted that PM is influenced by management style of individual immediate managers, are supported. Specifically, there is support for case evidence from Purcell and Hutchinson's (2007) study of twelve organisations in the private sector, which found that employees' relationship with their immediate line manager was especially important in 'bringing HR policies to life'. In their findings, in addition to how line managers implemented and enacted HR policies and practices, how responsive they were to worker needs and in the quality of leadership shown was found to be a significant part in influencing employee's organisation commitment. Similar to the finding from this study, the quality of leadership was seen in how their manager provided information, gave them opportunities to make suggestions and responded to them throughout the year. Therefore the survey evidence presented here confirms the importance of managers' behaviours and their roles in people management. These roles cover not only just formal roles, but also informal, unofficial, and daily leadership roles. The research finding about motivation and empowerment in Thailand here appears to support the 'universal' perspective of PM.

Similarly, procedural justice and distributive justice are directly predictive of PM satisfaction of staff. This suggests that when Thai employees perceived that the outcomes received as well as the formal procedures by which the outcome distribution were determined were fair, they experienced greater satisfaction toward PM than their counterparts who perceived the existence of unfair outcome distributions and procedures used. Many previous studies which have shown that procedural and distributive justice influence pay and appraisal satisfaction (Gabris and Ihrke, 2000; Greenberg, 1986; Tang and Sarsfield-Baldwin, 1996; Taylor, et al., 1998; Williams, et al., 2006) have gained support from these findings. Extending this line of research, the current study confirms the influence of perceived distributive and procedural justice of social entities as a whole on PM, which is often ignored in a majority of the past research, which studied justice perception during or after a specific appraisal event (Chang and Hahn, 2006).

Interestingly, in terms of relative impacts of these independent variables on employee satisfaction with PM, procedural justice came second after motivation and empowerment. In this study, procedural justice items used were related to supervisors as sources of procedural justice. This can be interpreted as again underlining the importance of immediate managers' behaviours discussed earlier.

Similarly, the finding that PM satisfaction is predicted by POS is consistent with the limited studies on this issue. For example, the evidence here is consistent with the findings from research undertaken in twelve leading companies and a further six small knowledge-intensive firms in the UK by Swart and Kinnie (2003), which found that the employees' reactions to HR practices in general were associated with employee beliefs and attitudes towards their employer. The POS factor is endorsed here as a possibly universal predictive of employee PM satisfaction.

Lastly, role ambiguity is reported to be negatively predictive of PM satisfaction of staff at the state enterprise. In the absence of strong priors in the studies that has examined role ambiguity as the antecedents of PM satisfaction, the present study advances a hypothesis that employees' perceptions of role ambiguity in their job will predict their satisfaction with PM. The results suggest that Thai employees who were unable to determine their role boundary (perceiving high role ambiguity) tended to experience low levels of satisfaction toward PM.

Contrary to the prediction, PM is not predicted by role conflict. This nonsignificant finding contradicts prior view by Chang et al. (2007) who suggested a negative relationship between role conflict and employee satisfaction on PM. One possible explanation for this finding from the current research may be that 76.1 per cent of questionnaire respondents were employed in the operational level, rather than the managerial level. Thus, they may be less likely to encounter incompatibility in the requirements of their roles and multiple roles, compared to other types of public sector workers such as nurses or public leaders who have to grapple with multiple and competing expectations and dilemmas from various strategic stakeholders (Erera, 1989; Pedersen and Hartley, 2008).

The overall findings of the present study suggest that employee reactions to PM appear to vary based on differences in perceived contextual factors. The more positive reactions to PM seem to depend in large part on motivation and empowerment, procedural justice, POS, distributive justice, and role clarity respectively. The findings presented here provide further support to the argument made by Levy and Williams (2004) and Murphy and Cleveland (1991) that there are many variables, especially contextual factors, which are potentially important for understanding the PM process.

#### CONCLUSION

In summary, the results seem to support the convergence arguments as motivation and empowerment of employees, role clarity, perceived organisational support, procedural justice and distributive justice positively are directly predictive of enhanced employees' PM satisfaction in Thailand and elsewhere. Nevertheless, an important area for future study across different nations has been identified by the present research. While one main group of literature argues that PM demands 'cultural' validation and that culture-specific practices often become a barrier to PM implementation, the opposite is found in the present study. Our research found that a national culture may have been less important than an organisational and work context, such as one at the state enterprise in the present study, in affecting employee PM satisfaction, given the possible explanation of the non-significant finding of role conflict. The finding from the present research is supported by Vo and Stanton (2011) who found that employee PM was less constrained by national culture differences than is widely believed. In an era of globalisation in which national frontiers are gradually converging, academics may have to refocus the issue in their future research. Rather than a national culture, an organisational context could possibly be the focal point of their research.

#### Limitations and Suggestions for Future Research

The findings and contributions of the current study should be viewed in light of the following limitations. First, a cross-sectional design used in the current study does not allow for a determination of the direction of causality or reciprocal relationships. Second, as the findings of the current study are based on self-report data, there is the possibility of several biases occurring including common method effects and social desirability bias Nevertheless, it seems reasonable to believe that employees' own perceptions and attitudes are more accurately assessed via self-report rather than through others. Future research should utilise longitudinal designs in order to examine the causal relationship between variables and to lessen the impact of common method

variance. The third weakness of the study relates to the generalisability of the results. Respondents captured in the current study are not necessarily representative of employees in other contexts or sectors. Hence, caution is warranted when extrapolating the results of the current study to different contexts or different settings. It would be of interest to compare the results from replications of this study using different samples to examine whether they confirm or refute the finding of the current study. Last, there is a possible limitation regarding the omission of other antecedents which may also affect PM satisfaction. Future endeavours

to explore the relationships between employees' PM satisfaction and its antecedents may include additional variables that are also important in order to better explain employees' PM satisfaction. For example, future research might want to test a complete model, incorporating both contextual factors and PM activity factors such as nature of the PM system or due process components, in order to investigate possible relative effects from them on employees' PM satisfaction. It would be useful to also use the performance evaluation result as one of the control variables

#### **Appendix 1**

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