

**THE OFFICE POLITICS ERROR AS A NEW DIMENSION IN PERFORMANCE APPRAISAL IMPLEMENTATIONS:  
A CASE STUDY AND CONCEPTUAL MODEL IN MALAYSIAN FINANCIAL SECTOR**

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**Highlight**

Causes of organisations performances errors, difficulties and recommendations for financial sector in Malaysia assessed using conceptual research, exploratory factor analysis and practical implication model via SPSS.26.S.

**Abstract**

Performance appraisal in human resource management is a function that evaluates employees' knowledge, skills, and abilities in executing their job. To assess this appraisal, the employees' key performance index (KPI) can be used. Recently, office politics has been indicated as an activity that may ruin employee-employer relationships and turn the office ecosystem unharmonious. The influence of organizational politics must be avoided during the performance appraisal process. This work depicted practical knowledge and theoretical gaps of the previous studies. Among them are leniency, straightness and stereotype behavior errors. This research was conducted to assess dimensions of organizational politics as one more error in the employee's performance appraisal. The presented study considered a questionnaire directed to 274 officers and clerical staffs who were selected randomly through proportionate stratified sampling method in one of the Malaysian government financial sectors located in Kuala Lumpur, Malaysia. In total 271 questionnaires were returned and used in this study. This work employed Questionnaire of Political Considerations in Performance Appraisal by using robust statistical techniques for testing and validating the results. This study has successfully extracted three reliable dimensions of politics in performance appraisal, namely acquiring benefit, human relations, and control. In addition, this work developed a new conceptual model together with a dynamic and practical recommendation for top management in this field used to avoid the extant error factors.

**Keywords**

conceptual research; exploratory factor analysis; industrial relations; office politics; performance appraisal errors.

**Introduction**

Performance appraisal involves two-way communication between a supervisor and an employee with the objective to help employees to improve performance and to help an organization to succeed in a competitive environment. In performance appraisal several biases may occur that affect the result of performance assessment. These biases include unclear standards, halo effect, central tendency, strictness and leniency as well as stereotype [1]. Nowadays, employees' discrimination and superiors' abuse of power always become the issues in an office [2]. Employees always complain that their rights are always being jeopardized or they have been back stabbed by their peers or superiors. Similarly, in performance appraisal, employees complain about the superior always ignoring their contribution to the department because they are not becoming part of the superior's buddy. Hence, discrimination and abuse of power, which are the dimensions of office politics, exist in

performance appraisal exercise. As a result of those practices the organization's performances output are drastically affected.

Currently, political games have become contagious in performance appraisal process. The subordinate only does the task to demonstrate to her/his leader that she/he can complete the given task without looking to the quality of the result [3]. In addition, the subordinate tries to become the leader's buddy so that the leader is leniently appraised by her/his performance. These manipulations can be frustrating to a subordinate who cannot place himself as the leader's buddy or a subordinate who takes a longer time to complete her/his task in order to confirm the quality of the finished task. A good performer, who does not become the leader's buddy, and always emphasizes quality works becomes an unsung hero in the department. This creates a basis for conflict in employee-employer relationship as reported in the literature [4]. In Malaysia, an office politics is always being seen as a negative deed [5]. For a significant part of the Malaysian employees, office politics may create tension in employment relations because office politics involves back-stabbing and power's abuse. When a leader focuses more of her/his time in performing an office politics to achieve her/his own agenda without any considerations for her/his subordinate, it brings a negative impact to the organization as it consumes time and resources [6]. A leader who plays a political game distorts, misdirects, or suppresses the information in order to manipulate situations, so she/he can gain her/his short-term goals. In addition, the leader abuses her/his power to dominantly give a moderate result to a good performer hence this leads to discrimination in the organizations. Thus, transparency is important to construct trust amongst employees especially when considering the performance appraisal process. Transparency is also vital to eliminate uncertainty of information in organizational communication channels. Other studies showed that organizational politics drives job ambiguity and creates a negative trust climate amongst employees [7,8]. In the performance appraisal process, all information regarding an employee's performance must be told to the respective employee, so that the employee becomes satisfied with the performance appraisal result and abolish any ambiguity. Dissatisfaction and ambiguity on performance appraisal amongst employees results in conflict and dispute [4].

Many Industrial Court cases in Malaysia have highlighted the problems occurring in managing employees' performance particularly involving office politics. In *Zuraini Abdul Ghani vs Kesas Sdn. Bhd.* (Award 733 of 2010), the petitioner claimed that her performance was appraised on the basis of stereotyping bias. The petitioner was questioned about her dismissal due to a letter made by her husband who has also been working in the same company. Her husband has written a letter to the CEO of the company mentioning discrepancies that happened in the company including changing the employee's performance appraisal result. The petitioner has claimed that she was not involved in the incident concerning her husband's activity and felt that her dismissal was made on the grounds of political game. She has claimed that her husband's attempt in highlighting management discrepancies has nothing to do with her and she has been victimized by the management decision. Another example shows that office politics involves employees' discrimination and leader's abuse of power. In *Goh Kim Leng vs Dolomite Industries Company Sdn. Bhd.* (Award 481 of 2010), the petitioner urged that his dismissal was made on the grounds of office politics, particularly on discrimination. He claimed that upon his dismissal, no appropriate performance appraisal had been made as he did not receive any warning and he had not been given a chance to improve his performance. On the basis of the above presented court cases, it can be said that office politics occurs frequently in Malaysian companies especially when related to the performance appraisal activity. Although Malaysian employees always argue that they have been discriminated by their leader in a form of office politics particularly in performance appraisal, but no study has been performed in Malaysia to indicate the form of politics in performance appraisal execution. Fair and justice as well as transparency have become the rule of thumb in managing employees' performance appraisal [9]. However, negative office politics drive employees' discrimination and leaders' manipulation of power particularly in performance appraisal. When abuse of power exists, discrimination definitely crops up. Dhar indicated that the importance of organizational politics lies in its potential consequences and affects work outcome negatively [10]. They forecasted also that organizational politics provides a negative example to workers' productivity and performance either at individual or organizational levels. Hence, this study aims to give an insight on the type of political games in performance appraisal process and give ideas to top management of a company to control this new type of bias in order to maintain fair and justice in the performance of appraisal process.

Various previous studies, showed that the concept of office politics generates job dissatisfaction between employees [11]. Consequently, office politics might negatively affect employees' job performance, yet these claims and findings need to be validated and tested [12]. Many studies have indicated the consequences of KPI biased practices on the organization performance. The extant studies for Malaysian GLC's indicated the effect of

stereotype practices, recency, and halo influences the organization's KPI. However, the office politics definitions, dimensions and effects are still vague and require more in-deep analysis on the definitions and interpretation for this kind of biased practices [13–15]. The researchers highlighted mixed results for the recent literature and inconsistency significance of previous findings. For those reasons, the researchers redefined this dimension of office politics in Malaysian's financial sector. Hence, this work presents an evident case study by developing a conceptual model about the criteria and definitions of office politics.

#### Performance Appraisal

Performance appraisal is a process in performance management function. Longenecker defined that performance appraisal influences one's career and corporate capacity [16]. In performance appraisal, the employee is appraised by her/his knowledge, skill, and ability in performing the assigned tasks. The performance appraisal also evaluates the employee's commitment and communication skill. Performance appraisal makes a significant contribution to the development of a working culture including ethical, equitable and performance oriented. Moreover, the performance appraisal process must be appropriate and suitable, and the superior has to demonstrate an effort to reduce potential biases that always happen in appraising workers' performance. Even though, there is a freedom and flexibility in the manner, in which leaders can implement and manage performance appraisal [17]. In the same context Kluger developed Feedback Intervention Theory (FIT) [18]. FIT is a psychological model that focuses on providing feedback to individuals in order to improve their performance. The theory posits that feedback can be used to help people identify areas in which they need to improve and can also be used to reinforce positive behaviors. In this sense, the provided feedback should be specific, focused, and timely. This also means that feedback should be tailored to the individual and should address specific aspects of their performance. However, there is a requirement that performance appraisal must be consistent, ensure equity and maintain fairness. Contrary to what some supervisors believe, the annual performance appraisal is not an end in and of itself. It is a means to achieve an end. Hence, the influence of office politics must be avoided during performance appraisal process [19].

#### Flaws in Performance Appraisal Implementations

Personal bias is the biggest challenge in carrying out the performance appraisals within any organization. The feedback that results from the performance is meant to guide the modification and adjustment of norms that shape the behavior of workers in the desired direction concerning activities such as mentoring programs, positive reinforcement, counseling, and rewarding of the best-performing employees. Both supervisors and employees influence the performance appraisal by substituting the organizational standards within the evaluation procedures. Supervisors mostly tend to fall prey of subjectivity rather than the objectivity of the employee in attaining organizational goals. Subjectivity leads to unfairness in the formulation of the evaluation decisions [20].

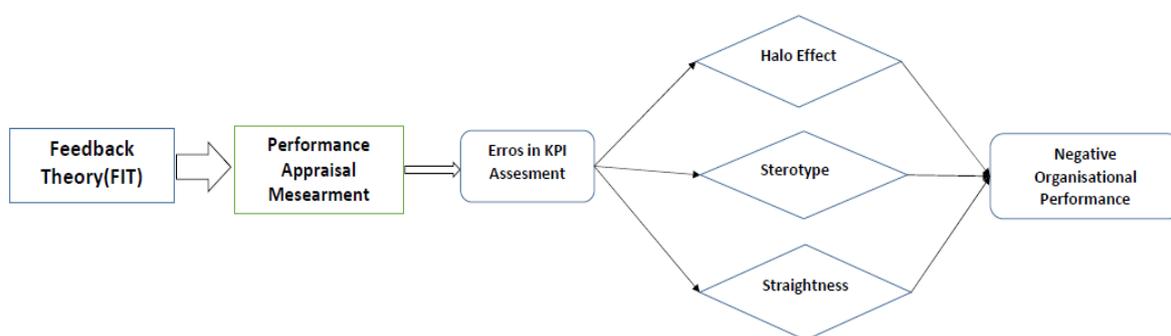


Figure 1. Theoretical framework for flaws in performances appraisal implementation. *Source: [18,21,22].*

As given in Figure 1, despite of recognition that a completely error-free performance appraisal can only be an idealized model, with all actual appraisals being something less than this optimum, we can isolate a number of factors that significantly impede objective evaluation.

The major problems in performance appraisal are:

- Leniency and Strictness error (Errors of leniency are caused by the tendency of the lenient rater to put most of the rates on the higher side of the scale, while the tough rater places them on the lower side

of the scale);

- Halo Effect Error (Tendency to allow the assessment on one trait to influence assessment on others);
- The Error of Central Tendency (Tendency of not using extreme scores on the judgement scale; most of the rates are clustered in the middle);
- Personal Prejudice (The rater's personal prejudice can influence the objectivity of performance appraisals. If the rater dislikes an employee, he may rate him very poorly);
- Consequence of Appraisal (If the evaluator knows that a poor appraisal could significantly hurt the employee's future, particularly opportunities for promotion or a salary increase, the evaluator may be reluctant to give a realistic appraisal);
- The Recent Behavior Error (The raters generally remember the recent actions of the employee at the time of rating. If a favorable action has taken place recently, the employee will be given a high rating. Otherwise, she/he gives a poor rating when an unfavorable action has been taken recently);
- Similarity Error (When evaluators rate other people in the same way that the evaluators perceive themselves, they are making a similarity error) [21–25].

### Office Politics

Office or organizational politics is an activity to show the dominance in authority of a party. Political games in an office are performed either by managers or by subordinates. The definition of this term brings a situation of abuse of power and discrimination [26]. Although office politics can be seen as positive and negative attitude, in general term, this situation is always referred to be negative. The office politics become a positive game when the leader manipulates her/his power so that the subordinates follow her/his instruction for the purpose of achieving organizational effectiveness [27]. Thus, office politics becomes a good deed when it enhances subordinates' performance and organizational productivity laterally. On the other hand, office politics may look like a negative game when the leader uses her/his power for her/his personal agenda, which may deviate from organizational mission or create competition amongst leaders. Instead of employing a political game to build harmonious relationship, leader plays a negative political game to compete with her/his entrant, so that she/he can be seen better by top management or to build her/his own block of buddies that can help her/him to conquer resources. Office politics sometimes involve back-stabbing in order to achieve one's objectives [13–15]. Different employees have different views about politics in an organization. Even though politics brings a negative perception [10], but it is also needed to get cooperation from subordinates or peers to get job done because persuasion is used in politicking [26,28]. Political influence processes may also be used to maintain the status quo when change is ensured. Whether political behavior proves to be beneficial or harmful to the organization, it may depend more on how that behavior is perceived rather than reality [29]. It is possible that an individual's perceptions of and reactions to organizational politics may be culture specific and that further generalization of the theory of organizational politics should take into consideration the cultural context, in which each study is undertaken. Organizations with limited resources have been known to experience heightened levels of politicking among members, because the key actors within the organization often jostle to have a fair share of the limited resources for themselves and their units [8].

### Office Politics and Performance Appraisal

Employees do not trust the performance appraisal result when organizational politics become the main issue in an organization. This was one of the main conclusions of Sharabi et al. comparative study of high-tech workers and public workers [30]. They also found that the lack of transparency, especially in the public sector, made the employees not fully satisfied with promotional activity and performance appraisal. Hence, in general, it can be said that employees respond negatively to work conditions for instance performance management that is influenced by politics. Fairness becomes the central intention amongst employees especially in performance appraisal process [31]. In addition, Longnecker saw that organizational politics can be a potential bias in performance appraisal because it involves abuse of power and discrimination [16]. Employees always have an optimistic view and believe that their performance is going to be evaluated with justice by their immediate superior. Hence, every superior should avoid abuse of power and discrimination when executing performance appraisal. Tziner et al. have demonstrated three discriminant factors that represent politics in performance appraisal [32]. Among them are manipulation to acquire benefits, attaining and exercising control and interpersonal issues. One of goals of this work is to evaluate whether Malaysian company also experiencing the same discriminant factors in performance appraisal as reported elsewhere [32–34].

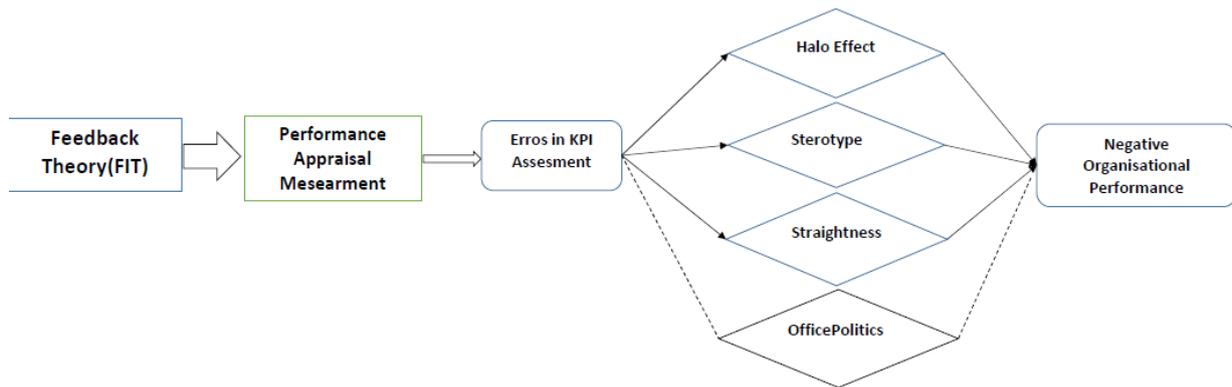


Figure 2. The research conceptual flowchart. Source: Authors.

Last but not least, this work fills up the theoretical and knowledge gaps in the literature since most of the recent and extant literature focused on the biased KPI practices can negatively impact organizational performance. The available literature on Malaysian GLCs has demonstrated the effects of biased practices such as stereotype, recency, and halo effects on organizational KPI. Despite this, the definitions, dimensions, and effects of office politics remain unclear and require further examination to shed light on the various forms of biased behavior [13–15]. The recent literature has yielded mixed results and inconsistencies in the significance of previous findings. Therefore, redefining office politics within the Malaysian financial sector is contemporary critical demand. As shown in Figure 2, the manuscript methodology adopts an empirical research study to the conceptual effects of office politics errors on organization performance and to restructure the prospects of this criteria. Furthermore, this study demonstrates a developed new conceptual model about the definitions of office politics by adding three dimensions for these prospects, which drive to better understand the phenomena of office politics errors and performance appraisal. The developed practical and applicable model can be implemented in policy making and help achieve more advanced business practice approaches.

## Methodology

### Research Design, Population and Sample

This study was a quantitative type of research and parametric tests were used to identify the relationship between independent and dependent variables. For this study primary data through questionnaire distribution were employed. In determining samples of the study, the sampling frame was defined and was followed by stratification of samples. Once the stratified samples have been determined, random sampling procedure was employed to identify the respondents. Questionnaires were distributed to respondents to evaluate their perception on items used to measure each variable. Instruments involved in this study were adopted from various sources. To examine the reliability of the questionnaires, pilot study was pursued. The value of Cronbach Alpha ( $\alpha$ ) determined the reliability of each item constructed in the questionnaire. Items in the questionnaire were clustered into appropriate dimensions in variables. The factor analysis was employed to justify items that represent dimensions or factors of each variable considered. The population of the study involved Felda Berhad headquarters officers and administrative staff and the overall population for this study was nine hundred potential responders. By using the sampling determination table suggested by Krijcie et al. [35], the sample size for this study was established at the level of 274, while, in total, 271 answers were obtained and used in this work.

### Research Instrument

The research questionnaire employed 4-point Likert type scales to represent respondents' agreement to each question. This scale was named the forced-choice scale. Huges [36] and Roach [37] noted that the forced-choice scale produce a negative bias. Forced-choice rating helps to directly control the common overall bias by forcing the respondents to choose between descriptive items that have an equal amount of the bias components [37]. Normative scales are subject to central tendency bias, in which respondents avoid extreme responses, acquiescence response and social desirability responding [38]. Forced - choice instruments are designed to avoid these biases by forcing choice alternative in a way that reflects real life choice making [39]. Agreeing with this statement, by using Pratt Index, Ochieng et al. [40] found that scale bias increases with the increment in Likert scale but remains almost constant after the 4-point Likert scale. Forced-choice methodology was developed to control or eliminate deliberate fake responses [41]. A study by King et al. on evaluating performance by using

forced-choice scale found that respondents believed the scale was fair and valid [38]. They concluded that the forced-choice scale was successful according to all of the usual psychometric criteria. To examine the type of office politics in performance appraisal, this study has employed Questionnaire of Political Considerations in Performance Appraisal (QPCPA) constructed by Tziner et al. [32]. This instrument consists of twenty-five items with Cronbach Alpha value of 0.97. Poon [42] has utilized this instrument in the attempt to measure the effect of politics in performance appraisal on job satisfaction and turnover intention. Poon also found that QPCPA is highly reliable as Cronbach Alpha value scored was higher than 0.8. A pilot test was performed to identify the reliability of research instruments and to indicate whether the respondents understand the meaning of each item they were asked for in the questionnaire. Reliability was defined as a degree to which measurements are free from error [43] and therefore yield consistent results between multiple instruments of a variable [44]. High reliability indicates minimum error variance, when the test indicates high value in reliability; hence, the effect of errors of measurement has been reduced. In measuring the reliability of research instruments, the Cronbach Alpha's value was computed. The values lower than 0.6 were generally considered to be poor, while those in the 0.7 range were considered to be acceptable. The values above 0.8 were considered as good [45]. Hair et al. also indicated that generally, the lower limit for Cronbach Alpha is 0.70, hence for this work the same limited for Cronbach Alpha value was considered [44].

## **Results and discussion**

### Data Screening

Data screening was performed before pursuing further statistical analyses. In data screening, the normality and linearity of the data as well as the identification of missing data and outliers were made. Skewness and kurtosis values to test normality and scatter plot evaluation were used to test linearity. Data screening process was performed to explore the characteristics of the data [46] in order to answer questions related to the accuracy of data, missing data, pattern of the missing data, extreme responses, and to what extent the collected data meet the statistical assumptions. When the data violated the statistical assumptions, data transformation was performed as suggested elsewhere [47]. Hair et al. stated that the identification of outliers has to be carried out before processing the collected data [44]. According to Meyers et al., extreme or unusual values on a single variable or a combination of variables are called outliers [47]. Besides identifying the potential outliers, testing of the assumptions underlying most multivariate techniques including normality and linearity were also considered in this study.

### Factor Analysis

Factor analysis was performed to identify the discriminant factors and convergent of items for QPCPA [44]. The purpose of factor analysis was to summarize the information contained in a large number of variables into smaller number of factor [43]. R factor analysis was used in this research as it analyzes a set of variables to identify the dimensions that are latent . According to Hair et al. [44], the minimum sample size to pursue factor analysis is 50, while Coakes et al. suggested 5 respondents for each variable [46]. In this study 7 variables were used, hence the minimum sample to employ factor analysis according to Coakes and Steed was 35. Before performing factor analysis, the anti-image correlation matrix, the Bartlett test and Kaiser-Meyer Olkin (KMO) measure were performed.

### Data Analysis

The reliability and normality tests were performed before pursuing the factor analysis. The QPCPA instrument scored Cronbach Alpha value of 0.780. For normality test, the evaluation of Skewness and Kurtosis values has been performed. Both values for Skewness and Kurtosis were 0.671 and -0.460 respectively. Both values are in the range of  $\pm 1.96$  which represents that the data was normal. The anti-image correlation matrix, that involves MSA and partial correlation tests, Bartlett test and Kaiser-Meyer Olkin measure to quantify the degree of intercorrelations among the variables were performed in this study too. In general terms, when a variable is identified as highly correlated with one or more variables, factor analysis for this particular variable becomes inappropriate. In inspection of the MSA, items with value that falls below the acceptable level of 0.5 should be excluded from the factor analysis [46]. According to Hair et al., in testing partial correlation, when the value of partial correlation is 0.7 and above, it can be considered as high and unacceptable [48]. In measuring MSA, items QPCPA 13, QPCPA 18 and QPCPA 24 were discarded as their values were below 0.5. The partial correlation values for all QPCPA items were well below 0.7, which indicates that all items do not overlap with others. The Bartlett test and KMO measure of sampling adequacy has been used to determine the factorability of the matrix as a whole. The Bartlett test is a statistical test for the presence of correlations among the variables. It provides the statistical probability that the correlation matrix has significant correlations among at least some

of the variables [44]. For Bartlett test, the level of statistical significance of  $p < 0.05$  was considered. The KMO measure of sampling adequacy quantifies the degree of inter correlation among the variables and the appropriateness of factor analysis. Coakes et al. indicated KMO's acceptable value was above 0.5 [46].

Table 1. KMO and Bartlett's test values. *Source: Authors.*

| Variable                                 | KMO Value | Bartlett's test of Sphericity (sig) |
|--|-----------|-------------------------------------|
| Office Politics in Performance Appraisal | 0.782     | 0.00                                |

Table 1 shows QPCPA for 0.782 of KMO value. In addition, Bartlett's test was significant as  $p < 0.05$ . These score values enable the researcher to perform factor analysis.

#### Factor Identification

In order to identify a number of factors, this study employs latent root criterion. In latent root criterion, eigenvalues were examined. According to Hair et al. [44] and Meyers et al. [47], factors with eigenvalues greater than one were considered significant. In addition, Hair et al. [44] suggested that it is common to consider a factor or combination of factors that accounts for 60% of the total variance as satisfactory. In order to achieve a simpler and pragmatically more meaningful factor solution, factor rotation was considered in this study. In addition, the varimax rotation was employed too in order to extract factor accounts for the most variance. Varimax rotation is a process in orthogonal rotation method [44]. Orthogonal factor rotation is a statistical concept indicating that two or more factors are independent to one another [47]. Varimax maximizes the sum of variances of required loading of the factor matrix. Varimax seems to give a clearer separation of the factors [44]. Varimax rotation was used because this method is focused on achieving simple structure [47] and shows a more meaningful factor pattern [44]. As given in Table 2, 6 factors scored eigenvalue greater than one. Total cumulative eigenvalues percentage for these three factors was 74.509%. Hence, the Factor Analysis allowed establishing 6 discriminant dimensions for QCPCA.

Table 2. Eigenvalues for Politics in Performance Appraisal (Extraction Method: Principal Component Analysis). *Source: Authors.*

| Component | Initial Eigenvalues |               |              | Extraction Sums of Squared Loadings |               |              | Rotation Sums of Squared Loadings |               |              |
|-----------|---------------------|---------------|--------------|-------------------------------------|---------------|--------------|-----------------------------------|---------------|--------------|
|           | Total               | % of variance | Cumulative % | Total                               | % of variance | Cumulative % | Total                             | % of variance | Cumulative % |
| Dimension | 7.475               | 33.978        | 33.978       | 7.475                               | 33.978        | 33.978       | 5.744                             | 26.108        | 26.108       |
|           | 4.138               | 18.810        | 52.788       | 4.138                               | 18.810        | 52.788       | 3.739                             | 16.993        | 43.101       |
|           | 1.356               | 6.166         | 58.953       | 1.356                               | 6.166         | 58.953       | 2.366                             | 10.754        | 53.856       |
|           | 1.281               | 5.822         | 64.775       | 1.281                               | 5.822         | 64.775       | 1.722                             | 7.828         | 61.684       |
|           | 1.093               | 4.966         | 69.741       | 1.093                               | 4.966         | 69.741       | 1.502                             | 6.828         | 68.513       |
|           | 1.049               | 4.768         | 74.509       | 1.049                               | 4.768         | 74.509       | 1.319                             | 5.997         | 74.509       |

To identify the factor loadings, the guideline suggested by Hair et al. [44] was used. Hair et al. indicated that when the loadings are  $\pm 0.50$  or greater, they can be considered practically significant [44]. Therefore, in identifying content of each dimension, items with factor loading value  $\pm 0.50$  and above were clustered in the same factor. Items that have a loading factor value below factor loading (for this particular study  $\pm 0.50$ ) and do not belong to any factor can be dropped off in an effort to refine and reduce the scale [49]. In addition, items that have a cross loading with two or more factors were discarded. Cross loading is an item that has overlapping variance with more than one factor [50]. Cross loading item occurs when the item was poorly written [50]. In addition, according to Meyers et al. [47], one item cannot represent a particular factor.

Table 3 demonstrates 6 factors that were constructed by rotated component matrix. Factor 1 comprised of 9 items including "Supervisors produce accurate performance ratings only to the extent that they perceive that this is the norm in the organization", "Supervisors avoid giving a low performance rating because they fear violent behavior on the part of their employees" and "Supervisors' performance rating is effected by the extent to which employees are perceived as sharing the same basic values as they do". Factor 2 consisted of only 5 items including

“Supervisors give performance ratings that will make them look good to their superiors” and “Supervisors are likely to give an inflated performance rating in order to avoid negative/uncomfortable feedback sessions with their employees”. Factor 3 consisted of 3 items including “Supervisors’ performance rating reflects in part their personal liking or disliking of the employees”. Factors 4, 5 and 6 have only one item each; therefore, these factors were discarded from further analysis.

Table 3. Rotated Component Matrix for Perception of Politics (Extraction Method: Principal Component Analysis, Rotation Method: Varimax with Kaiser Normalization). *Source: Authors.*

|         | Component |       |       |       |       |       |
|---------|-----------|-------|-------|-------|-------|-------|
|         | 1         | 2     | 3     | 4     | 5     | 6     |
| QPCPA16 | 0.837     |       |       |       |       |       |
| QPCPA3  | 0.822     |       |       |       |       |       |
| QPCPA25 | 0.788     |       |       |       |       |       |
| QPCPA7  | 0.772     |       |       |       |       |       |
| QPCPA4  | 0.728     |       |       |       |       |       |
| QPCPA22 | -0.675    |       |       |       |       |       |
| QPCPA19 | 0.674     |       |       |       |       |       |
| QPCPA5  | -0.647    |       |       |       |       |       |
| QPCPA17 | 0.646     |       |       |       |       |       |
| QPCPA10 |           | 0.862 |       |       |       |       |
| QPCPA15 |           | 0.833 |       |       |       |       |
| QPCPA11 |           | 0.813 |       |       |       |       |
| QPCPA9  |           | 0.645 |       |       |       |       |
| QPCPA1  |           | 0.629 |       |       |       |       |
| QPCPA21 |           |       | 0.746 |       |       |       |
| QPCPA8  |           |       | 0.728 |       |       |       |
| QPCPA6  |           |       | 0.688 |       |       |       |
| QPCPA23 |           |       |       | 0.774 |       |       |
| QPCPA12 |           |       |       |       | 0.783 |       |
| QPCPA14 |           |       |       |       |       |       |
| QPCPA20 |           |       |       |       |       | 0.823 |
| QPCPA2  |           |       |       |       |       |       |

To label the factor, this study has followed the approach given by Hair et al. [44]. They indicated that the label is intuitively developed by the researcher based on its appropriateness for representing the underlying dimensions of a particular factor. The variables with higher loadings are considered more important and have greater influence on the name or label selected to represent a factor. After determining discriminant factors and its convergent items, this study performed a reliability test again. Table 4 reveals the Cronbach Alpha ( $\alpha$ ) value for office politics in performance appraisal after factor analysis process. The first factor for office politics in performance appraisal consists of nine items and Cronbach Alpha value was 0.595. After discarding the item QPCPA22, the value increased to 0.760. This factor has been called “Acquire Benefit”. For factor 2, this particular factor consists of 5 items and the Cronbach Alpha for this factor was 0.827. Because of the items for this factor reflects relationship between superior and subordinates, this factor was named “Human Relation.” Factor 3 consists of three items with Cronbach Alpha value of 0.725 and this factor was named “Control”. Hence, these three factors representing office politics in performance appraisal are reliable and are given in Table 4.

Table 4. Reliability Test after Factor Analysis. *Source: Authors.*

| Office Politics in Performance Appraisal | Cronbach Alpha ( $\alpha$ ) after factor analysis |
|--|---|
| Factor 1 (Acquire Benefit)               | 0.760   |
| Factor 2 (Human Relation)                | 0.827   |
| Factor 3 (Control)                       | 0.725   |

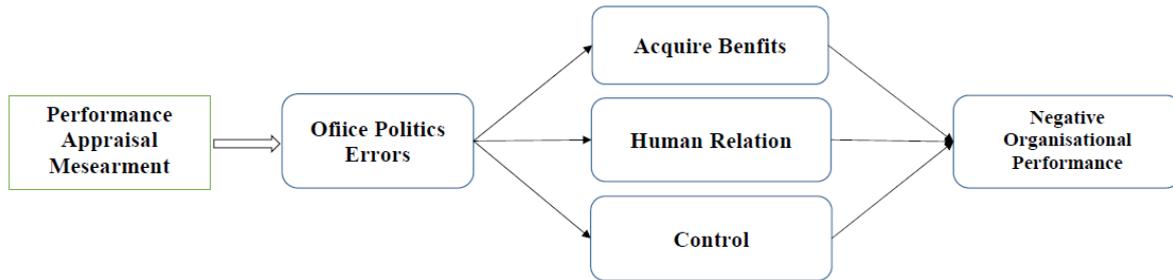


Figure 3. The conceptual model for office politics errors factors. *Source: Authors.*

As shown in Figure 3, the three discriminant factors namely Acquire Benefit, Human Relation, and Control were extracted. Acquiring benefits represents the effort of supervisor to fulfill her/his need to be looked like a good supervisor. In other words, in human relations, the supervisor uses performance appraisal to maintain good relationships with her/his subordinates. The last dimension of politics in performance appraisal obtained in this study is control. This dimension represents the attempt of supervisor to motivate or even to threaten her/his subordinates to show their best performance throughout the evaluation year.

Political masks in a performance appraisal also affect its effectiveness. Many managers are willing to manipulate performance appraisals for political purposes. The design of such performance appraisals leaves very crucial assessment procedures to suit certain political interests. Management of employees' performance always becomes doubtful in terms of fairness and justice. Ferris et al. [11] indicated that performance management is often political in nature. The existence of political games in performance management may reduce employees' morale towards their employment [26]. This result is in line with the dimensions of politics in performance appraisal suggested by Tziner et al. [44]. Previous study by Tziner et al. [44], have extracted two discriminant factors for politics in performance appraisal, while Poon [42] has extracted only one. Tziner et al. [44] called it "manipulation to acquire benefits, attaining and exercising control and social or interpersonal", while Poon [42] has named it as politics in performance appraisal as motivational intention. It is plausible that the supervisor uses political activity to sustain her/his own benefits by giving a good rating in appraising her/his subordinates' performance. She/he hopes that she/he will look good by the top management even though she/he manipulates her/his subordinates' performance rating. The supervisor also does not want to create conflicts either with his subordinates or with the top management. Hence, she/he is willing to abuse her/his power and give unreasonable ratings to her/his subordinates, so that she/he will not be questioned by both parties. This lessens the creation of conflict between the supervisor and her/his subordinates and helps sustain the harmonious human relation. In addition, by using her/his authority in performance appraisal the supervisor can manipulate her/his power to discriminate any subordinate that she/he dislikes by threaten them with poor rating when the subordinate refuse to follow her/his lead or in other word, the performance appraisal is used as a control mechanism. Therefore, the performance appraisal is generally used as a tool for the supervisor in playing her/his political game to gain benefits, maintaining human relation, and controlling subordinates' behavior.

Acquiring benefits represents the effort of supervisor to fulfill her/his need to be looked like a good supervisor. A leader tends to be lenient in appraising his employees' performance even if the employees show poor performance because when she/he gives her/his employees a high mark in performance appraisal, she/he will be seen as a good leader. In acquiring benefits, although the subordinate does not show good performance throughout the year but only showing better performance in appraisal month, leaders may appraise his employees' performance based on the recent behavior. A leader tends to ignore her/his employees' performance throughout the year. In addition, the leniency in performance appraisal rating avoids violent behavior amongst employees. Hence, this leniency and evaluation of employee bias on a recent behavior in performance appraisal, which are biases in performance appraisal, can be manipulated by a leader to get support from her/his subordinates to achieve her/his self-interest or she/he want to be looked as a good leader. In acquiring benefits, when the employee is really showing a good performance, the leader shows his truthfulness in rating the employee's performance. Some employees may show an extraordinary performance; hence, the leader should escalate the employee's rating to motivate the employee to sustain his/her best performance. The increment of performance rating for extraordinary performance may encourage the employees to show their creativity in performing their works. Leaders who assign an accurate rating to the right performance do not

breach the norm in organization as this avoids disapproval by her/his peers. In judging an employee who is a good performer, the leader always does the appraisal according to the right source of information. In this situation, the leader pretends that she/he upholds justice, which becomes a shared value in an organization. In human relation factor, the supervisor uses performance appraisal to maintain good relationship with her/his subordinates. By appraising the employee's performance with leniency, the supervisor hopes that she/he can minimize the employee's dissatisfaction. This in turn may create a conflict. To reduce the conflict in her/his department, a leader pretends that she/he gives an accurate appraisal because when the employees find out that they score poor result in performance appraisal, the leader can be penalized. A leader abuses her/his power through avoiding giving performance ratings that may antagonize her/his employees. In human relation factor, the leader may appraise the employee's performance according to the quality of leader-employee personal relationship. When the employee is the leader's buddy, she/he may be rated with a high appraisal result. The leader is likely to give an inflated performance rating in order to avoid negative feedback by her/his employees. The last dimension of politics in performance appraisal is control. This dimension represents the attempt of supervisor to motivate or even to threaten her/his subordinates to show their best performance. When the employees can show their good performance, the leader can be considered by the top management as efficient. In control factor of performance appraisal, the leader's performance rating reflects in part her/his personal liking or disliking of her/his employee. The employees tend to be rated by evaluating their abilities to inspire their works and creativity enthusiasm to the leader who rates their performance. In some circumstances, when the leader dislike a targeted employee he/she may give low performance rating just to encourage the employee to leave the organization. Usually, the employee who is victimized by the leader is an employee who cannot get along with the leader. In this case, the leader abuses his power to discriminate a distrust employee.

### **Impact**

The presented work showed that organizational politics is a tool used to play with the human resources in the Malaysian organization. These observations can be broadly extended to other nations as well as on different economic sectors. However, to better address this issue, more advanced studies should be done. It can be carried out for different sectors of the economy as well as a wide scope of population should be considered. Nevertheless, the most relevant aspects, which should be considered in the further valorization of this work is that to avoid negative implication of organizational political games, the supervisors should be attentive listener to keep a close contact with the employees. The superior should also guide the gathering of information, judgments and opinions. Also, the leader should foster a productive dialog and bring in refreshing ideas that employees have not thought of. To achieve this, the proper communication channels should be used beyond the political games, based on ethical tools to perform a proper monitoring and assessment of the employees' achievements. By using this tool, the leader will be seen as a stable anchor and a tower of strength who maintains and creates calm. This, in turn, will drive the leader to be seen as a moral guide, who by applying high moral standards and influences the employee's ethics do not preach or lecture. Finally, this results in turning the political games in the organization structure into a tool to share knowledge and skills with employees in order to improve their capabilities.

### **Conclusions**

Politic in workplace becomes a customary phenomenon in organization. Many previous studies have exhibited the negative impact of this phenomenon on workers' performance [51]. Among them are halo effect, stereotyping, leniency, strictness, similar to me error and recent behavior error. With the evolution of office management, politics in organization has become the new factor that may affect performance appraisal activity. This present study has successfully extracted three factors that represent politics in performance appraisal namely acquire benefit, human relation, and control. As stated by Drory [52], employees who are in supervisory or middle management positions normally enjoy greater authority and autonomy. As a competition of power exists in managerial level, a political game will become a weapon to dominate the decision-making process. Top management must control the existence of power abuse, employee discrimination and office bullying, which are among the activities performed in political games because office politics is always seen as bringing a bad impression to employees. It drives to employee's frustration, dissatisfaction, and subordination. Hence, fairness and justice must become the indispensable factors in appraising employees' performance. It is plausible that political activity is used by the supervisor to sustain her/his own benefits by giving a good rating in appraising his subordinates' performance. She/he hopes to be considered as a good leader by the top management even though she/he manipulates her/his subordinates' performance rating. The supervisor also does not want to create conflicts either with his subordinates or with the top management. Hence, she/he abuses her/his power

and gives unreasonable ratings to her/his subordinates, so she/he is not questioned by both parties. This reduces the creation of conflict between the supervisor and his subordinates and helps to sustain the harmonious human relation. In addition, the supervisor, by using her/his authority in performance appraisal, can also abuse her/his power to discriminate against any subordinate that she/he dislikes by threatening them by poor rating. In this case, the performance appraisal can be seen as a control mechanism. Therefore, the performance appraisal is used as a tool for the supervisor in playing her/his political game to gain benefits, maintaining human relations and controlling subordinates' behavior.

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