

Psychological capital and performance of Portuguese civil servants: exploring neutralizers in the context of an appraisal system

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The literature suggests that psychological capital (PsyCap: self-efficacy, hope, optimism, resilience) predicts work performance. Our case study, carried out in the context of a performance appraisal system (SIADAP) recently implemented in the Portuguese Public Administration, does not corroborate this prediction. In the research 278 civil servants self-reported their performance and PsyCap and their supervisor-rated performance scores according to the SIADAP procedures. The main findings are: (a) no PsyCap dimension predicts supervisor-rated performance; (b) PsyCap predicts 39% of the variance of self-reported performance; and (c) there is no significant relationship between self- and supervisor-rated performance. The findings call attention to SIADAP features that may neutralize the impact of PsyCap on individual performance, or even make it irrelevant. Alternatively, it is suggested that PsyCap influences performance, but the supervisor-rated performance scores do not reflect real worker performance, which means that the SIADAP may actually reward the ‘wrong’ workers.

Keywords: civil servants; performance appraisal; Portuguese Public Administration; psychological capital; self-reported performance; supervisor-rated performance

Performance appraisal is often considered to be one of the most important human resources systems in organizations (Jawahar 2007; Kuvaas 2007), being ‘one of the major players in modern management theory’ (Harrison and Goulding 1997, p. 275), both in the private and public sectors. Thus, it is not surprising that more and more public services and administrations in different countries (e.g., Demarco and Nigro 1983; Shafie 1996; Harrison and Goulding 1997; Asim 2001; Chan 2001; Chou 2005; Abu-Doleh and Weir 2007; Awortwi and Vondee 2007) implement and/or change their performance appraisal systems. One of the most important aims of such systems is to secure individuals’ performance improvement, the other one being the enhancement of the performance of the organization as a whole (Rix 1990; Boice and Kleiner 1997; Harrison and Goulding 1997; Daley and Vasu 2005). Some appraisal systems also seek to develop people’s strengths (Harrison and Goulding 1997). However, several authors call attention to the drawbacks associated with such systems (Rix 1990; Martin and Bartol 1998; Heathfield 2007; Nickols 2007; Schraeder, Becton and Portis 2007), stressing that they are painful and may not work (Heathfield 2007). Some authors have even suggested their removal (Waite and Stites-Doe 2000). Most researchers, however, agree that these systems have high potential for improving performance, when some conditions and steps are observed and implemented.

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This paper focuses on a new performance appraisal system implemented in the Portuguese Public Administration (*SIADAP – Sistema Integrado de Avaliação do Desempenho*, i.e., Integrated System of Performance Appraisal), and explores why some of its features may be detrimental to the civil servants' strengths and performance. The research can be contextualized in the Positive Organizational Behaviour (POB) movement. As a guiding term, POB was introduced into the literature in 2002 (Luthans 2002a, b), its purpose being to raise the organizational behaviour field's awareness of the emerging positive psychology movement (Seligman and Csikszentmihalyi 2000; Luthans and Avolio 2009). POB is defined as 'the study and application of positively-oriented human resource strengths and psychological capacities that can be measured, developed, and effectively managed for performance improvement' (Luthans 2002a, p. 59). Five criteria were set for including constructs in this definition (Luthans et al. 2007): (a) grounded in theory and research; (b) valid measurement; (c) relatively unique to the field of organizational behaviour; (d) state-like and hence open to development and change as opposed to a fixed trait; and (e) have a positive impact on work-related individual-level performance and satisfaction. Among the positive psychological constructs that have been determined to meet these criteria, hope, resilience, optimism and self-efficacy have prevailed in the literature (Luthans and Youssef 2007; Luthans, Youssef and Avolio 2007). When combined, these four constructs represent what has been called *psychological capital* or *PsyCap*. The psychological capital construct is defined as 'an individual's positive psychological state of development and is characterized by: (1) having confidence (self-efficacy) to take on and put in the necessary effort to succeed at challenging tasks; (2) making a positive attribution (optimism) about succeeding now and in the future; (3) persevering toward goals and, when necessary, redirecting paths to goals (hope) in order to succeed; and (4) when beset by problems and adversity, sustaining and bouncing back and even beyond (resilience) to attain success' (Luthans et al. 2007, p. 3).

PsyCap meets conceptual and empirical criteria of being distinctive from other constructs (Luthans and Youssef 2007; Luthans et al. 2007). While Peterson and Seligman's (2004) character strengths and virtues are 'trait-like' (relatively stable and difficult to change), the PsyCap is 'state-like,' and thus relatively malleable and open to development (Luthans et al. 2007). Both theory-building and prior research on hope, resilience, optimism, and efficacy indicate that they are amenable to development (Luthans et al. 2007; Luthans, Avey, Avolio, Norman and Combs 2006). Such a state-like nature also differentiates PsyCap from positively-oriented organizational behaviour trait-like constructs such as 'Big Five' personality dimensions (Barrick and Mount 1991) or core self-evaluations (Judge, Bono, Erez and Thoresen 2003). Each of the four positive constructs has been shown to have conceptual independence and empirically-based discriminant validity (Luthans 2007). Both conceptual and empirical research exists suggesting that there is a common, underlying link that runs between the four dimensions and ties them together in a higher-order core factor, PsyCap (Luthans et al. 2007).

Empirical findings have shown that PsyCap predicts variables such as absenteeism (Avey, Patera and West 2006), job satisfaction and organizational commitment (Larson and Luthans 2006; Luthans et al. 2007; Youssef and Luthans 2007), and leadership behaviours of entrepreneurs and their impact on employees' attitudes and happiness (Jensen and Luthans 2004). Studies have also shown that PsyCap predicts work performance (Luthans, Avolio, Walumbwa and Li 2005; Luthans et al. 2007; Youssef and Luthans 2007), with several theoretical reasons supporting such a relationship (see the arguments presented below; Luthans et al. 2007; Luthans and Youssef 2007; Youssef and Luthans 2007). However, if the logic of science is to search for refutability

and falsification (Popper 1972), a contra-theoretical result may be as valuable as a supportive one. In this paper, we explore the reasons why PsyCap may sometimes be unrelated to individual performance. By showing empirically that PsyCap is not related with the supervisor-rated performance of a sample of Portuguese civil servants, and discussing the underlying reasons, we contribute to the enrichment of two streams of research.

First, we discuss conditions under which PsyCap may not improve individual performance, a finding that may be as relevant as the discovery of contexts where the relationship exists (Pfeffer 2007). In this way we address some researchers' suggestion that efforts are needed to mitigate the effects of the confirmatory bias in science, which emphasizes data consistent with preliminary hypotheses while ignoring or discounting those that are inconsistent (Mahoney 1977; Greenwald, Pratkanis, Leippe and Baumgardner 1986; Leher, Leschke, Lhachimi, Vasiliu and Weiffen 2007). It also helps to explain why the statistical rejections of the null hypothesis are achieved more frequently in published than in unpublished studies (Sigelman 1999). If we are to study how positive psychological capabilities improve performance, it is important to understand all their possible effects, both positive and null or negative ones.

Second, we discuss possible negative consequences of some features of the SIADAP and its implementation. We respond to the call of Luthans, Avolio, Walumbwa and Li (2005) for more organizational behaviour research in cultural contexts outside the US. These authors observed that 'to date, there have been a few preliminary, as yet unpublished, studies on psychological capital, with positive results on both performance and work attitudes, but no research has been performed outside the USA' (p. 253).

We structured the paper as follows. First, a critical view of the SIADAP is exposed, in order to provide the context for the rest of the paper. Next, we discuss the relationships between PsyCap and performance, and explore why some features of the SIADAP may mitigate or neutralize such relationships. We then follow the usual format: method, results, discussion and conclusions. The main limitations, some avenues for future research, and implications for management are also explored.

Before proceeding, two related issues are worthy mentioning. First, although the four positive constructs studied here have been discussed in earlier organizational behaviour literature, hope, optimism and resilience have been underrepresented, and the four constructs seldom have been considered as a whole (Luthans and Avolio 2009). This led Luthans and Avolio (2009, p. 296) to state that 'even though POB in some ways is either old wine in old bottles or old wine in newer bottles', we would argue that POB is still being examined today in what may be called a 'new restaurant' (with perhaps a familiar menu). What we mean by this metaphor is that even though workplace positive notions are certainly not new, the environmental context and positive constructs in POB are generally quite different from the past and that in and of itself warrants inquiry (not advocacy).'

Second, we suggest that studying both the 'positive' and the 'negative' can be more fruitful for understanding organizational life than simply studying positivity for counterbalancing the alleged traditional bias toward negativity (Luthans 2002b; Fineman 2006a, 2006b; Roberts 2006). As Luthans and Youssef (2007, p. 322) argued, 'the world in general, and our workplaces in particular, are in need of a more balanced approach that takes into consideration both the positive and the negative, both building on strengths and trying to correct weaknesses'. More specifically, we suggest that studying the impact of positive capabilities on performance may benefit from studying some organizational and managerial 'weaknesses'.

Performance appraisal in the Portuguese public administration

In 2004, a new performance appraisal system was introduced in the Portuguese public administration, a step forward in the articulation of an effort to achieve performance management. Changes were introduced subsequently, for implementation in 2008, with new rules applying to the performance appraisal of top managers and services/organizations. Regarding clerks, the focus of this paper, the main features of the system remain unchanged. Because our empirical research was conducted in 2007, we focus on the performance appraisal according to the rules introduced in 2004.

Government decided to use forced distribution (supervisors distributing ratings according to preset quotas) for removing leniency in a short time span. The appraisals take place at the beginning of each year regarding the performance of the previous year. The nature of the system and the lack of a culture of performance assessment management (Jesuino 2002; Nikandrou, Apospori and Papalexandris 2003) would naturally produce a number of implementation difficulties. Two researchers of the *Instituto Nacional de Administração* (National Institute of Administration), Madureira and Rodrigues (2007, p. 14), noted that 'SIADAP's implementation process was abrupt, difficult and lacking the due preparation of the main interveners, which resulted, in many cases, in resistance from the clerks and managers'. These authors argued that the 'managers seldom participated, in a constructive way, in the process of goal setting and negotiation' (p. 15). Next, we explain how the system has functioned, taking into account the laws and rules which regulated it, as well as our experience as raters and members of public organizations.

The SIADAP is based on three components: goal attainment, behavioural competencies and 'personal attitude'. The goal attainment component assesses the degree to which the results contained in the goals are achieved. The goals and the indicators to measure them must be agreed upon between supervisor and subordinate. If agreement is impossible, the supervisor's position prevails. In the Portuguese paternalistic and high power distance culture (see the development of this argument below), the formal and apparent 'agreements' may hide real disagreements, resulting from the employees' fears and their will to cultivate positive impressions in supervisors. Since appraisals are constrained by the quotas, some workers negotiate modest goals and, thus, increase the probability of exceeding goal attainment, in turn receiving higher performance scores.

The behavioural competencies component evaluates the degree to which the worker demonstrates the 'personal characteristics' necessary for the job. The 'personal attitude' component includes effort, work motivation and commitment. The evaluation of both components involves great subjectivity and discretion. Some appraisees complain that appraisers use evaluation to retaliate against less obedient and more assertive subordinates, and to favour docile and submissive ones. This is consistent with a context characterized by paternalism (i.e., passivity and obedience in exchange for 'superior' protection), low assertiveness and a high power distance. In this setting, confrontation is avoided, employees tend to please their supervisors, and disagreement with them is to be considered at the least as impolite (Hofstede 1991; Jesuino 2002; Cunha 2005; Cunha and Rego 2008). Such a context helps to explain why impression management tactics (e.g., flattery) are adopted in the course of the year (Wayne and Kacmar 1991; Wayne and Liden 1995), and especially when the evaluation cycle is coming to an end. This trend is reinforced by the competitive nature of the system, which may pit people against each other rather than against job mastery (Berger 1983). Noteworthy, the performance appraisal of the intermediate managers does not include the 'personal attitude' component

and is not constrained by the preset quotas. This ‘discrimination’ (eliminated by the rules enacted in 2007) has been a source of cynicism and a threat to the credibility of the system.

Before communicating the score to the worker (in the course of an annual assessment interview), members of the Coordination Council (*Conselho Coordenador da Avaliação*) meet to ‘harmonize’ the assessments, in order to make sure that quotas are respected for the service/organization on the whole. If two employees have the same score but only one is allowed to receive the highest score (as called for in the quotas), the Coordination Council decides who has priority. This implies, for example, that the ‘excellent’ score of an employee from a certain unit may be replaced by a ‘very good’ score, in order to comply with the quotas of the whole service/organization. This ‘downgrade’ may be less likely if the supervisor of such an employee belongs to the Coordination Council and has the will and political power to maintain the initial score of his/her subordinate. Although the final score should be communicated to the subordinate only after this ‘harmonization’ (in the course of the annual assessment interview, where goals for the next year are set and a non-binding self-assessment of the worker is presented to the supervisor), in some cases the ‘unofficial’ score is informally communicated to the worker. This may result in great discomfort and displeasure of the ‘downgraded’ worker, as well as in a poorer quality of the relationship with his/her supervisor (‘blamed’ for not having the power and/or the will to maintain the initial score). Workers may appeal. However, in the Portuguese high-distance culture, such actions are ‘ill-advised’ for those who do not want to be penalized in the next appraisal. The appraisals have implications for career advancement, conversion of provisional appointment to a permanent one, and contract renewal. Regarding career advancement, ‘very good’ and ‘excellent’ scores grant a reduction in the service time for advancement. However, this reward is often expected to be received several years later and, in many cases, due to other factors (e.g., the lack of vacancies; budgetary restraints), no reward is actually given, except one or two leave days. Monetary rewards are being introduced.

Another unintended consequence of this system occurs when the quotas are applied inside each unit of a service/organization. In truly high-performing units, some workers are ranked low despite meeting the goals and being good performers. In low-performing units, workers with high scores may perform worse than workers with low (forced) scores in the high-performing units. This undermines the credibility of the system. Individuals feel that their scores depend on discretionary aspects and are unfair, and perceive that high efforts, work commitment and outcomes may be ‘rewarded’ more poorly than average efforts, work commitment and outcomes. The appraisees may perceive the process as unfair because someone ‘has to be’ rated as a poor performer, thus being less receptive to the process. Other unintended consequences include adverse motivational impacts, negative effects on teamwork, lower self-esteem, mistrust of leadership and the erosion of the quality of subordinate–supervisor relationships (Meyer 1980; McBriarty 1988; Waite and Stites-Doe 2000; Lawler III 2003). The focus is frequently on identifying different levels of performance, rather than on helping individuals to develop and improve their performance. As Lawler III (2003) found in a study with 55 Fortune 500 companies, forced distribution methods may accomplish their primary objective of differentiating individuals, but at the cost of lowering somewhat the overall effectiveness of the performance management system. The previous description suggests that, while solving a number of problems, the SIADAP may also produce several negative effects in terms of worker motivation and performance. To address this, we focus on the discussion of the possible neutralization of the PsyCap dimensions.

PsyCap and work performance: exploring neutralizers

The existing literature suggests that PsyCap associates with workplace performance (Luthans et al. 2007; Youssef and Avolio 2007). We consider that some neutralizers can mitigate or nullify positive consequences. Some features of the SIADAP and its implementation are used to illustrate how this may occur. To clarify our reasoning, we discuss neutralizers for each PsyCap dimension, although they may act upon several dimensions. Neutralizers are individual, organizational, cultural and relational factors that may mitigate or nullify the positive potential of PsyCap upon individual performance. No systematic literature review exists or was made in the present study. Our aim is to use the SIADAP features to explore neutralizers and suggest avenues for further research.

Self-efficacy

Self-efficacious people believe in their abilities to mobilize the motivation, cognitive resources and courses of action necessary to successfully perform a specific task within a given context. They are likely to choose challenging tasks and endeavours, apply their efforts and motivational resources to accomplish their goals, and persevere in the face of obstacles and difficulties (Bandura 1997; Luthans 2002a; Luthans and Youssef 2004). Setting challenging goals motivates these people to stretch their abilities and efforts, master new challenges and exceed previous performance (Brown, Jones and Leigh 2005). A meta-analysis carried out by Stajkovic and Luthans (1998) showed a strong positive correlation between self-efficacy and work-related performance.

We predict that some features of SIADAP and its implementation may neutralize the impact of self-efficacy on performance. One neutralizer relates to feedback, a crucial resource for improving performance (Kuvaas 2007) and necessary for people with high self-efficacy to turn that strength into increased effort and performance. The SIADAP calls only for an annual feedback and no intermediary review is expected. As Schraeder, Becton and Portis (2007, p. 21) argued, the absence of continuous feedback leaves subordinates 'to play a guessing game concerning whether to continue on the current path of work-related behaviour or to chart another course. The communication received through performance appraisal feedback is essential for encouraging employees to continue on a positive trajectory or to guide employees in improving problem areas'.

Another potential neutralizer is goal setting. Goals that are conducive to performance enhancement need to be clear, specific, measurable, challenging and achievable (Locke and Latham 1990; Kuvaas 2007; Luthans et al. 2007). If they are not, and if feedback is neither credible nor continuous, it is likely that individuals lose their sense of control over work (Speier and Frese 1997) and face difficulties in identifying instrumentality between their behaviours and the goals. Individuals with high self-efficacy may thus not direct their energy, effort and motivational resources toward performance improvement. Under these conditions, it is more difficult to 'persevere in the face of obstacles and difficulties' for the simple reason that the relationship between obstacles/difficulties and goal attainment is unclear. Another problem stems from the fact that self-efficacious people may set/negotiate more challenging goals than individuals with low self-efficacy (Locke and Latham 1990; Bandura 1997). The risks of not reaching the goal (and, thus, to be 'harmed' when goals attainment is evaluated) are higher. Conversely, knowing that they may be harmed for negotiating high performance standards, they may be tempted to negotiate more modest ones, the consequence being that the resulting low performance standards do not energize them to direct efforts to goal pursuit (Brown et al. 2005).

Another neutralizer results from the Portuguese culture and the epitome of the good subordinate. In a cultural context where *the boss commands* and *the subordinate obeys* (Cunha and Rego 2008), empowerment and participation are low (Mathews et al. 2001), assertiveness can be confounded with aggressiveness, and disagreement with supervisors is considered impolite at the least. It is possible that supervisors undervalue less obedient and more assertive subordinates, and favour docile ones. This can be detrimental for the performance scores of individuals with high self-efficacy, who tend to be more assertive and proactive (Sadri 1996; Parker 1998) and can be harmful when supervisors appraise their behavioural competencies.

Hope

Hopeful people are motivated to achieve their goals through their sense of agency, thus expressing an internalized determination and willpower to invest effort and energy in meeting their expectations. They are motivated by their sense of having the capability to develop ways to succeed in the things they wish to, thus exhibiting the ability to generate alternative pathways toward achieving their goals when other paths do not work (Snyder 2000; Luthans 2002a; Luthans and Youssef 2004). In short, hopeful individuals believe in their ability to set goals, express willpower and develop alternative pathways (waypower) to accomplish them.

Some features of the SIADAP and its implementation may neutralize the impact of hope on performance. Luthans et al. (2007, p. 69) argued that 'goals that are conducive to developing and nurturing hopeful thinking – and, consequently, performance enhancement ... need to be specific, measurable, challenging and yet achievable'. As argued above, some of these features are potentially absent from the SIADAP. Furthermore, considering that goal setting negotiation and the performance appraisal process are exposed to impression management tactics and to personal preferences, reaching higher performance scores may depend more on such tactics and preferences than on the willpower and waypower employed to pursue goals. Hopeful employees tend to be independent thinkers. They possess an internal locus of control. Thus, they need a high degree of autonomy in order to express and utilize their agency (Luthans et al. 2007). Considering that, in the cultural context mentioned above, initiative, proactivity and assertiveness may reduce supervisor's liking for the subordinate and be detrimental to performance rating (Vilela, González, Ferrín and Araújo 2007), it is possible that individuals with higher levels of hope may feel that their willpower and waypower are irrelevant, or even detrimental, to performance evaluation. Thus, it is also possible that 'they withdraw into their shell' and refrain from investing their hope resources in performing tasks.

On the other side of the coin, workers who lack hope may conform to organizational rules and be obedient to their supervisors (Luthans et al. 2007). Low-hopers may be perceived by managers and coworkers as cooperative – as 'good soldiers'. This may occur with a number of supervisors of Portuguese civil servants. 'Personal attitude' – one of the three components of the SIADAP – is often interpreted as meaning 'obedience', 'not to say a word' and to do what they are told to do. A connected neutralizer is related to stepping, 'an integral component of hopeful goal achievement' (Luthans et al. 2007, p. 69). In SIADAP, feedback is infrequent (annual) and generic (Ilgen, Fisher and Taylor 1979; Waite and Stites-Doe 2000). Continuous formal feedback, in order to make regular adjustments aimed to reach the goals, is missing. Informal feedback is also scarce. Many supervisors avoid compromising themselves with feedback that may appear later

as incongruent with the performance score they (need to) give to the subordinate. In a high power distance culture, subordinates also avoid asking supervisors if they are pursuing goals correctly. Furthermore, rewards for excellent performance scores are uncertain and may come only years later.

In short, as Luthans et al. (2007, p. 77) argued, ‘open and transparent flows of communication through flat, organic structures, participative decision-making, empowerment, and other flexible, high-engagement techniques can provide a culture of hope that encourages its members to take initiatives, seek responsibility, accept accountability, and expect to be treated fairly when doing so . . . In such a hopeful organizational culture, transparency and authenticity allow resources – including traditional economic, but also human, social and psychological capital – to be readily shared and swiftly allocated to their best uses.’ These features are seldom found in the SIADAP.

Optimism

Optimists are those people who expect good things to happen to them. They attribute positive events to internal, permanent and pervasive causes, and negative events to external, temporary and situation-specific ones (Seligman 1998; Luthans et al. 2007). They take credit for favourable events in their lives, strengthening their self-esteem and morale. They distance themselves from unfavourable life events, thus diminishing the likelihood of experiencing depression, guilt, self-blame and despair. Peterson (2006, p. 114) summarized that optimism has been linked to ‘positive mood and good morale; to perseverance and effective problem solving; to academic, athletic, military, occupational, and political success; to popularity; to good health; and even to long life and freedom from trauma’. Optimists are more likely to formulate plans of action when facing difficulties, are less likely to give up, and have a more positive outlook on stressful situations. Theoretical and empirical evidence suggests that optimism relates to workplace performance (see Jensen, Luthans, Lebsack and Lebsack 2007 for a synthesis).

Some SIADAP features may neutralize or reduce the impact of optimism on performance. Because feedback is infrequent, uncertain and results from factors outside the workers’ control, optimists have fewer possibilities to take credit from positive feedback, and it is thus less probable that they persevere in striving for goals. This can be worsened by lack of empowerment (Avey, Hughes, Norma and Luthans 2008) and goal clarity, and by the uncertainty about receiving rewards after reaching high performance scores. It is likely that such issues distract optimistic individuals from the work task (Kanfer and Ackerman 1989), thus decreasing their tendency to apply their optimistic resources in improving performance (Kanfer and Ackerman 1989; Schraeder et al. 2007). Perceptions of injustice may also reinforce the tendency of optimistic individuals to make external attributions (to the supervisors) for their low performance levels, thus leading them to subsequently make fewer efforts to change behaviour and improve performance. Making such external attributions, they may develop poorer relationships with supervisors (Martinko, Moss, Douglas and Borkowski 2007), thus decreasing their performance (Hui, Law and Chen 1999).

Resilience

Resilient people are able to deal with adversity, uncertainty and failure, as well as with positive overwhelming events and changes (e.g., increased responsibility; Masten 2001; Luthans, Vogelgesang and Lester 2006; Luthans et al. 2007). They are able ‘to overcome, steer through, bounce back and reach out to pursue new knowledge and experiences,

deeper relationships with others and [find] meaning in life' (Luthans et al. 2007, p. 123). Research has shown that resilience relates with workplace performance (Luthans et al. 2005; Luthans et al. 2007).

We suggest that some features of SIADAP may act as neutralizers of resilience. For example, without frequent and timely performance feedback, individuals do not know how and in what direction they should apply their resilient efforts while trying to overcome obstacles and improve performance. It is also less likely that they reinforce the behaviours that are most effective. They may feel more difficulties in identifying and correcting the source of the problem. Thus, it is less likely that they apply their resilience energies toward solving the problems that really count for performance (Luthans et al. 2007). Furthermore, impression management tactics and politics may foster an organizational climate that prevents the allocation of adequate resources/support to risky but high potential ideas that resilient people would propose and attempt to implement (Hamel and Välikangas 2003; Luthans et al. 2007). Paternalistic leadership may also lead managers to feel responsible for and obligated to handle every problem of their employees, thus not taking advantage of their subordinates' resilience (as well as other individual strengths). Furthermore, if they perceive the SIADAP as unfair, individuals may refrain from putting their resilience at the service of performance.

Method

For testing the relationship between PsyCap and performance of Portuguese civil servants, a convenience sample was collected. After obtaining permission of the top management, 403 civil servants (teaching staff excluded) working in three public higher education organizations where the authors worked were invited to participate in the study. In organizations A (125 employees) and B (122 employees), permission for inviting all civil servants was obtained. In organization C (432 employees), permission was granted for inviting 156 civil servants from some services. All respondents were invited to participate individually through emails, letters placed in their private office box or personally.

Self-reported and supervisor-reported performance measures were used for exploring the degree to which individuals perceive that the performance scores given by their supervisors reflect their opinions of their own performance. For counterbalancing the order of the measurement of the predictor and criterion variables (Podsakoff, MacKenzie, Lee and Podsakoff 2003), individuals were first asked to self-report their individual performance, then to mention the supervisor-rated performance score they received in the last year in the context of SIADAP, and finally to report their PsyCap. As will be explained below, different scale endpoints, formats and ranges for the predictor (PsyCap) and the self-reported individual performance were employed. Supervisor-reported performance was not collected from a third source (i.e., the official records) because this would require identifying the respondents. The cultural context and controversy surrounding the SIADAP cautioned us not to rely on such a method, considering the risks of high response bias and refusal to participate.

Answers were anonymous and individuals were assured that there was no right or wrong option, and that they should answer as frankly as possible. Respondents put the completed questionnaire in an envelope and sent it to the researchers by the internal mail service of their organization. There were 278 returned questionnaires (response rate: 69%): 87 in organization A (70%), 84 in B (68%) and 107 in C (69%). Of these 73% were female. Educationally 22% had nine or fewer schooling years, 45% had at least 12 years,

33% had a bachelor degree or higher. The mean age was 41.6 years (standard deviation: 8.7) and mean organizational tenure was 13.6 years (SD: 8.1).

Self-reported individual performance was measured with four seven-point self-report scales (Rego and Cunha 2008; Staples, Hulland and Higgins 1999). The four items were: (1) I believe I am an effective employee; (2) My colleagues believe I am a very productive employee; (3) I am happy with the quality of my work output; (4) My manager believes I am an efficient worker. Each individual reported the degree to which each assertion applied to him/her (1: the statement does not apply to me at all; to 7: the statement applies to me completely). The Cronbach alpha was 0.77.

The PsyCap questionnaire proposed by Luthans et al. (2007) was used. It comprises 24 six-point scales (1: strongly disagree to 6: strongly agree), measuring self-efficacy, optimism, hope and resilience (six scales for each dimension). Sample items are: (a) I feel confident in representing my work area in meetings with management (self-efficacy); (b) When things are uncertain for me at work, I usually expect the best (optimism); (c) I can think of many ways to reach my current work goals (hope); and (d) I usually take stressful things at work in stride (resilience). For assuring the semantic equivalence between the original and translated scales, the back translation technique proposed by Brislin (1970) was used, with some modifications. Scales were translated to the Portuguese language by two bilingual individuals who worked independently. Both individuals developed an iterative discussion for solving disagreements and for reaching a single version. The Portuguese version was back-translated to English by two other bilingual individuals, working independently. The first author compared these back-translated versions with the original, and tried to solve disagreements and discrepancies through an iterative discussion with both individuals. Consultation and discussion with three organizational members were also carried out (Brislin, Lonner and Thorndike 1973). At the end of this process, the final version was obtained. The questionnaire was then presented to 14 participants on an organizational behaviour course taught by the first author. Some misunderstandings regarding the meaning of the '(dis)agreement' scale were identified. The typical concern was 'I agree with this statement, although I do not behave/feel this way'. For example, regarding the item 'I usually take stressful things at work in stride', two individuals said that they agreed with the statement and would like to behave in such a way, although they felt sometimes uncomfortable with very stressful events and situations. Some managers also complained about the absence of an intermediate point in the scale. Considering these concerns, five-point scales were used and '(dis)agreement' was replaced by 'applicability' (1: 'the statement doesn't apply to me at all' to 5: 'the statement applies to me completely').

A confirmatory factor analysis was then carried out to test if the four-factor model fitted the data. Considering the unsatisfactory fit indices (e.g., GFI: 0.82), standardized residuals and modification indices were analyzed for locating sources of mis-specification (Byrne 1998; Hair, Andersen, Tatham and Black 1998). After deliberate consideration based on both techniques, eight items were removed (Anderson and Gerbing 1988). A well-fitted 16-item model emerged (Table 1). All reliabilities are higher than 0.70. Considering that the literature mentions two components of hope (willpower and waypower), a five-factor model was also tested, with the items related to hope being ascribed to two factors. Fit indices improved slightly, although the Cronbach Alpha regarding waypower is lower than 0.70. A single factor model was also tested, the fit indices being unsatisfactory. Finally, two second-order factor models were tested, with four or five factors loading onto an overall PsyCap factor. For both models, the fit indices

Table 1. Confirmatory factor analysis: PsyCap*.

	<i>Four-factor model</i>	<i>2nd-order factor model</i>	<i>Five-factor model</i>	<i>2nd-order factor model</i>	<i>Single factor model</i>
					(0.88)
Self-efficacy	(0.75)	(0.75)	(0.75)	(0.75)	
Item # 2	0.73	0.71	0.72	0.71	0.37
Item # 3	0.65	0.65	0.65	0.64	0.34
Item # 5	0.74	0.76	0.75	0.76	0.55
Optimism	(0.74)	(0.74)	(0.74)	(0.74)	
Item # 19	0.60	0.61	0.60	0.60	0.53
Item # 20	0.77	0.75	0.76	0.75	0.65
Item # 21	0.72	0.73	0.72	0.73	0.65
Item # 22	0.52	0.53	0.53	0.53	0.51
Hope	(0.76)	(0.76)			
Hope – waypower			(0.65)	(0.65)	
Item # 7	0.50	0.50	0.52	0.53	0.48
Item # 9	0.58	0.58	0.60	0.61	0.57
Item # 11	0.74	0.74	0.76	0.75	0.71
Hope – willpower			(0.70)	(0.70)	
Item # 8	0.63	0.63	0.65	0.66	0.60
Item # 10	0.61	0.61	0.72	0.71	0.59
Item # 12	0.51	0.51	0.63	0.62	0.46
Resilience	(0.73)	(0.73)	(0.73)	(0.73)	
Item # 14	0.61	0.62	0.61	0.62	0.58
Item # 15	0.55	0.54	0.55	0.54	0.53
Item # 16	0.63	0.63	0.63	0.63	0.59
Item # 17	0.57	0.56	0.57	0.56	0.53
Item # 18	0.62	0.62	0.62	0.62	0.59
PsyCap		(0.76)		(0.79)	
Self-efficacy		0.57		0.57	
Optimism		0.85		0.85	
Hope		0.95			
Waypower				0.94	
Willpower				0.80	
Resilience		0.94		0.94	
<i>Fit indices</i>					
Chi-square/Degrees of freedom	2.4	2.5	2.2	2.4	4.1
Root mean square error of approximation	0.07	0.08	0.07	0.07	0.11
Goodness of fit index	0.89	0.89	0.90	0.89	0.82
Adjusted goodness of fit index	0.85	0.85	0.86	0.85	0.77
Comparative fit index	0.87	0.87	0.89	0.88	0.77
Incremental fit index	0.87	0.87	0.89	0.89	0.77
Relative fit index	0.77	0.77	0.79	0.79	0.67

Notes: * Completely standardized solution; In brackets: Cronbach alphas; Items source: Luthans et al. (2007).

are very similar to those of the first-order factor models. Considering that both four- and five-factor models present similar fit indices, both were kept for further analysis.

Before proceeding, an ANOVA was run with the organization as an independent variable. For all the performance and PsyCap variables, no significant differences between organizations were found.

Table 2. Means, standard deviation and correlations.

	Mean	SD	1	2	3	4	5	6	7	8	9	10	11	12	13
1. Self-efficacy	3.8	0.8	(0.75)												
2. Optimism	3.8	0.6	0.29***	(0.74)											
3. Hope	4.1	0.5	0.37***	0.65***	(0.76)										
4. Hope – willpower	4.1	0.5	0.35***	0.56***	0.84***	(0.65)									
5. Hope – willpower	4.0	0.6	0.29***	0.55***	0.88***	0.47***	(0.70)								
6. Resilience	4.1	0.5	0.43***	0.58***	0.62***	0.61***	0.47***	(0.73)							
7. Overall PsyCap(a)	4.0	0.5	0.68***	0.78***	0.87***	0.77***	0.73***	0.80***	(0.79)						
8. Overall PsyCap(b)	3.9	0.5	0.73***	0.78***	0.80***	0.72***	0.66***	0.81***	0.99***	(0.76)					
9. Self-reported performance	5.4	0.8	0.27***	0.45***	0.55***	0.38***	0.56***	0.54***	0.58***	0.56***	(0.77)				
10. Supervisor-reported performance (c)	2.3	0.6	0.12	0.02	0.02	-0.02	0.05	0.03	0.07	0.07	0.10	-			
11. Age	41.6	8.7	0.00	0.21***	0.14*	0.14*	0.11	0.19***	0.16**	0.16**	0.08	-0.04	-		
12. Org. tenure	13.6	8.1	0.02	0.12*	0.12*	0.11	0.10	0.16***	0.13*	0.12*	0.10	0.00	0.66***	-	
13. Gender(d)	-	-	0.11	-0.08	-0.10	-0.09	-0.08	-0.08	-0.04	-0.04	0.00	-0.06	0.02	0.00	-
14. Education(e)	2.1	0.6	0.12*	-0.20***	-0.16**	-0.14*	-0.15*	-0.13*	-0.11	0.09	-0.03	0.21***	-0.57***	-0.47***	-0.07

Notes: *p < 0.05; **p < 0.01; ***p < 0.001; Between brackets, in diagonal: Cronbach Alphas; (a) Mean score of the five dimensions; (b) Mean score of the four dimensions; (c) The 1.0–1.9 range means 'poor'; 2.0–2.9 means 'needing development'; 3.0–3.9 means 'good'; 4.0–4.4 means 'very good'; 4.5–5.0 means 'excellent'; (d) 0: female; 1: male; (e) 1: nine or fewer schooling years; (2) at least 12 schooling years; (3) baccalaureate or higher.

Results

Means, standard deviations and correlations are reported in Table 2. All PsyCap dimensions intercorrelate and correlate positively with self-reported individual performance. Age relates positively with optimism, hope, resilience and overall PsyCap. Tenure relates positively with optimism, overall hope, resilience and overall PsyCap. Gender does not correlate significantly with any variable. Education correlates positively with self-efficacy, and negatively with the other PsyCap dimensions. These opposite correlations explain why education does not correlate significantly with the overall PsyCap. Education also relates positively with supervisor-reported (but not with self-reported) performance and negatively with age and organizational tenure. No PsyCap dimension correlates significantly with supervisor-rated performance. Self-reported and supervisor-reported performance do not intercorrelate.

Hierarchical regression analyses were carried out for predicting self-reported and supervisor-reported performance (Table 3). Because age, tenure and education correlated with some independent and dependent variables, they were included as control variables in the first step. In the second step, PsyCap variables were entered. Three models were used, the first one considering the overall PsyCap construct (as measured by the mean score of the five PsyCap dimensions), the second one considering four PsyCap components (waypower and willpower merged), and the last one considering five PsyCap components (waypower and willpower considered separately). Finally, supervisor-rated performance (for predicting self-reported performance) and self-reported performance (for predicting supervisor-reported performance) were entered.

PsyCap predicts 33%, 36% and 39% of variance of self-reported performance, respectively when (a) overall PsyCap is considered, (b) waypower and willpower are merged into a single factor (hope) or (c) waypower and willpower were considered separately. Only optimism, willpower and resilience are significant predictors. When overall PsyCap is entered in the regression after the five components, overall PsyCap does not predict unique variance of self-reported performance. However, when the five components are entered after entering the overall PsyCap, unique variance is 9%. Supervisor-rated performance does not predict any variance of self-reported performance. No PsyCap dimension, nor overall PsyCap, nor self-reported performance predicts supervisor-rated performance. The single predictor is education, with more-educated workers receiving higher performance scores. More-educated workers do not consider themselves better performers. On the whole, these results are similar for the three organizations. More specifically, for all organizations: (a) willpower and resilience are the best predictors of self-reported performance; (b) no PsyCap dimension predicts supervisor-rated performance; and (c) there is no significant relationship between self- and supervisor-rated performance.

Discussion and conclusions

Making sense of the main findings

Two main findings are worth mentioning. First, although predicting self-reported performance, PsyCap does not predict supervisor-reported performance. Second: these two performance measures do not intercorrelate. This second finding is especially unexpected because self-reported performance measure includes an item focused on supervisor perceptions ('My manager believes I am an efficient worker'). Even if we consider only this item for measuring self-reported performance, its correlation with supervisor-reported performance is not significant ($r = 0.11$; $p > 0.05$).

Table 3. How PsyCap predicts performance.

	<i>Self-reported performance</i>			<i>Supervisor-reported performance</i>		
1st step						
Age	0.12	0.12	0.12	0.06	0.06	0.06
Org. tenure	0.08	0.08	0.08	0.09	0.09	0.09
Education	0.07	0.07	0.07	0.28***	0.28***	0.28***
F	1.68	1.68	1.68	3.87**	3.87***	3.87**
Adjusted R ²	0.01	0.01	0.01	0.04	0.04	0.04
2nd step						
Age	0.05	0.02	0.02	0.05	0.06	0.06
Org. tenure	0.01	0.02	0.01	0.09	0.08	0.08
Education	0.07	0.12	0.11	0.28***	0.27**	0.27**
Overall PsyCap (a)	0.58***	–	–	0.06	–	–
Self-efficacy	–	0.00	0.00	–	0.07	0.07
Optimism	–	0.15*	0.15*	–	0.06	0.06
Hope	–	0.37*	–	–	0.01	–
Hope – waypower	–	–	–0.04	–	–	–0.06
Hope – willpower	–	–	0.40***	–	–	0.06
Resilience	–	0.20**	0.28***	–	–0.06	–0.04
F	27.18***	18.04***	18.42***	3.07*	1.86	1.72
Adjusted R ²	0.34	0.37	0.40	0.04	0.04	0.04
Adj. R ² change	0.33	0.36	0.39	0.00	0.00	0.00
3rd step						
Age	0.05	0.02	0.01	0.04	0.06	0.05
Org. tenure	0.09	0.02	0.01	0.09	0.08	0.08
Education	0.05	0.10	0.09	0.26***	0.25**	0.25**
Overall PsyCap (a)	0.58***	–	–	–0.01	–	–
Self-efficacy	–	–0.01	–0.00	–	0.07	0.07
Optimism	–	0.15*	0.15*	–	0.04	0.04
Hope	–	0.36***	–	–	–0.04	–
Hope – waypower	–	–	–0.03	–	–	–0.06
Hope – willpower	–	–	0.39***	–	–	0.01
Resilience	–	0.21**	0.28***	–	–0.09	–0.07
Supervisor-rated performance	0.08	0.09	0.08	–	–	–
Self-reported performance	–	–	–	0.12	0.14	0.13
F	22.26***	16.25***	16.71***	2.88*	1.97*	1.77
Adjusted R ²	0.34	0.37	0.40	0.04	0.04	0.04
Adjusted R ² change	0.00	0.00	0.00	0.00	0.00	0.00

Notes: *p < 0.05, **p < 0.01, ***p < 0.001;(a) The mean score of the five PsyCap dimensions was considered. This score is a better predictor of self-reported performance than the mean score of the four PsyCap dimensions (unique variance is 30%, against 33% predicted by the mean score of the five dimensions). None of them predicts unique variance of supervisor-reported performance.

Two main interpretations are plausible. The first considers that supervisor-reported performance, but not self-reported individual performance, is the valid measure. PsyCap does not relate to workers' performance due to neutralizers. From this point of view, the ways in which SIADAP was defined and have been implemented, prevents individuals with higher PsyCap from making use of their strengths to improve performance. This is not to argue that SIADAP is detrimental or irrelevant to the performance of all individuals. Rather, we suggest that the SIADAP may contribute to overlooking the strengths possessed by individuals with higher PsyCap.

The second interpretation is that self-reported performance is a valid measure and PsyCap actually promotes worker performance. Obviously, asking individuals about their individual performance is not free of risk and criticism. In general, people are prone

to hold favourable views of their own performance (Fox and Dinur 1988; Suliman 2003; Van der Heijden and Nijhof 2004). However, several authors have suggested that self-assessments can be of great value, especially when anonymity is guaranteed and/or individuals perceive no need to present themselves favourably for career, performance appraisal and/or social acceptance purposes (Baruch 1996; Van der Heijden and Nijhof 2004; Longenecker and Fink 2006). According to Fox and Dinur (1988), individuals possess the ability to evaluate themselves reliably in a manner similar to that of others and in a way that can predict subsequent performance. Van der Heijden and Nijhof (2004, p. 495) argued that 'there is reason to believe that individuals are in a good position to make a valid assessment of their own knowledge and capabilities'. Mathis and Jackson (2003, p. 349) argued that self-appraisal 'forces employees to think about their strengths and weaknesses and set goals for improvement' and that employee self ratings 'can be a valuable and credible source of performance information'.

On the contrary, supervisor-reported performance is less valid. The context in which the SIADAP is implemented promotes the use of political considerations in performance appraisal (Tziner 1999). Raters may tend to favour individuals with whom they have positive relationships (Tziner 1999; Tziner, Latham, Price and Haccoun 1996), regardless of their performance. Raters often have low confidence in the system and feel discomfort with performance evaluation, thus being more prone to produce biased appraisals (Tziner et al. 1996). Clerks, in turn, may not have confidence in supervisor scores, considering that they do not reflect their true performance. Thus, it is not surprising that PsyCap does not relate with such a performance measure.

It is worth noting that the non-significant relationship between PsyCap and supervisor-reported performance is relevant even considering an inverse causality between the variables. In fact, we predicted past behaviour/performance based on a current level of the predictor. We cannot assert that PsyCap level was the same when past behaviours leading to performance took place (Avey et al. 2006). It is more plausible that individuals self-describe their PsyCap under the influence of their previous supervisor-reported performance level. For example, the individuals who received better supervisor scores would potentially become more self-confident and develop higher self-efficacy. However, the absence of such a relationship allows one to interpret the finding as meaning that, in the context of SIADAP, supervisor ratings are subject to many biases, are not credible from the workers' perspective and have little value as a source of feedback for improving their performance and promoting self-confidence.

If this interpretation is correct, the findings suggest that several negative effects may occur if changes in the system are not implemented. If the supervisor-reported performance scores are unrelated with the 'true' performance levels, then high performance scores and rewards are being ascribed to individuals who do not deserve them, thus harming the best performers and decreasing their motivation, commitment and performance. The system loses credibility, possibly leading to cynicism, poorer teamwork and lack of cooperation. If the supervisor-reported performance scores reflect real performance levels, but there is no agreement between self-appraisals and those scores, the same perverse consequences may occur. As suggested by Fletcher (1997, p. 186), if self-perceptions differ from those of others 'then it is difficult to see how one can manage work relationships successfully, contribute properly as a team member and adapt one's behaviour to circumstances and individuals'. This may be detrimental to individual performance (Ostroff, Atwater and Feinberg 2004).

If we consider this interpretation as valid (i.e., PsyCap predicts employees' performance, but supervisor-reported performance is not the appropriate way to measure

it), discussing the relationships between PsyCap and individual performance is necessary. Two main findings are worth mentioning. The first is that individual performance is better predicted when the PsyCap components are considered separately than when they are merged into an overall PsyCap factor. This means that researchers may risk losing predictive power of performance if they neglect the distinction between the specific PsyCap components.

The second relevant finding is that only optimism, willpower and resilience are significant predictors of performance, relationships supported by the literature (see, above, the sub-sections in the 'PsyCap and work performance: exploring neutralizers' section). The reasons why self-efficacy and waypower are not significant predictors of performance may proceed from several neutralizers mentioned above. In the context of the Portuguese Public Administration, and of the SIADAP in particular, setting/choosing ambitious goals (self-efficacy) and making use of a wide repertoire of pathways (waypower) for reaching them may be perceived as risky, conducive to 'penalization' for committing errors and/or not achieving the set goals. In certain Portuguese Public Administration organizations/services, people feel that the best way to be positively assessed is to adopt a low profile and avoid errors.

Implications for management

The findings suggest that there is room for SIADAP's improvement in order to make it more effective in tapping the Portuguese civil servants' PsyCap. Some changes introduced by the new legislation (Law no. 66-B/2007, December 28) are likely to mitigate the problems. For example, the 'personal attitude' component was removed. This may reduce the subjectivity of the system and make performance appraisal more valid and the scores more credible. However, the forced distribution philosophy of the system remains unchanged, thus promoting the attempts to influence appraisals through impression management tactics and keeping the risks of merely (and forcedly) classifying the workers for bureaucratic purposes, instead of ascribing them the performance scores they really deserve. We consider that the evaluation of the services/organizations introduced by the new rules may mitigate these risks if the preset quotas are differentiated according to the service/organization performance (i.e., allowing a higher percentage of 'excellent' performers in high performance services/organizations). This process will ensure that employees understand how their personal job performance contributes to the overall performance of the unit or service, thus boosting teamwork and shared responsibility (Boice and Kleiner 1997).

It is also necessary to provide feedback more frequently to workers and implement more frequent review of workers' targets and performance (Shafie 1996; Boice and Kleiner 1997; Schraeder et al. 2007). Setting discussion meetings periodically (e.g., quarterly) with each worker may also be appropriate (Heathfield 2007). It is also necessary to clarify and grant rewards and recognition to those with higher performance scores, instead of making them wait for uncertain and future rewards. Goal setting may also be improved by adopting SMART goals (Locke and Latham 1990) and reducing the risks of biased negotiations that harm more ambitious and committed individuals, benefit those who are more scheming and 'political' and nourish the 'dark side of impression management' (Bratton and Kacmar 2004, p. 293).

Limitations, avenues for future research

The dependent and independent variables were collected simultaneously from the same source. This makes the study vulnerable to common method variance. Future studies could

collect data for dependent and independent variables at separate moments. For example, self-reported and supervisor-reported performance measures may be collected some months after the PsyCap self-reporting. Another way to minimize these risks is to use a double-source method, with workers reporting their PsyCap, and supervisor-reported performance being collected in the official system records. Future studies may also use an independent measure for supervisor-reported performance. It would be interesting to study the relationship of such a measure with the 'official' scores.

Another limitation is that the measures of self- and supervisor-reported performance are based on different criteria, which makes comparison problematic. Future studies may use the same items for measuring both. Studying other potential neutralizers and carrying out studies in other cultures and organizations is also recommendable. Future studies may also consider the interaction between justice perceptions (Taylor, Tracy, Renard, Harrison and Carroll 1995; Steensma and Otto 2000; Jawahar 2007) and the PsyCap construct. For example, do the perceptions of injustice neutralize the positive influence of PsyCap in performance? Are individuals with higher PsyCap more/less sensitive to perceptions of justice?

Another relevant limitation is that the study was carried out in three organizations not representing the wide range of services, units and organizations of Portuguese Public Administration. Future studies may consider other kinds of organizations and services and explore if, when and why the neutralizers discussed here (do not) operate in non-educational organizations. Cross-cultural studies and studies in other Public Administration systems are also necessary.

Our last comment addresses the PsyCap construct and measurement. The findings suggest that the five factor-model (waypower and willpower considered separately) has higher validity than the usual four-factor model. However, efforts must be made to improve the psychometric properties of the waypower scales (Cronbach Alpha is lower than the 0.70 cut off). Future studies may also test if the five-factor model is cross-culturally valid or proceeds from our sample idiosyncrasies. Finally, considering that several other high-potential positive psychological capacities (e.g., creativity, wisdom, authenticity, gratitude, forgiveness, emotional intelligence, psychological ownership) have been considered for inclusion in PsyCap (Luthans and Youssef 2007; Luthans et al. 2007; Avey, Avolio, Crossley and Luthans 2009), future studies may also explore their respective neutralizers.

Concluding remarks

While showing that PsyCap predicts self-reported but not supervisor-reported performance, the study does not allow us to conclude that some SIADAP features neutralize the impact of PsyCap on civil servants' performance. In any case, the findings may be a source of concern for the Portuguese authorities. If the self-reported performance measure is considered valid and the supervisor-reported one is not, then some dimensions of PsyCap appear as relevant predictors of performance and the mentioned features of the system are not neutralizers of PsyCap. However, in such a case, the civil servants are being rewarded according to criteria unrelated to their real performance. The consequence may be cynicism and lower motivation and performance. A tool that seeks to improve performance may be doing just the opposite. If we admit that the supervisor-reported performance measure is valid, then the SIADAP features appear to be neutralizers of PsyCap. Considering that PsyCap has been suggested in the literature as a positive incentive of performance, this means that the system is not profiting from the civil

servants' strengths. Future studies may explore if the non-significant relationship between PsyCap and supervisor-reported performance proceeds from features of SIADAP or from other Portuguese public administration dimensions not studied here. In any case, our evidence suggests that performance appraisal is a complex subject whose effectiveness depends on a complex range of factors. It also stimulates HRM and POB researchers to identify (a) the possible contingencies that neutralize the potential positive impact of PsyCap, and (b) the conditions necessary for PsyCap to become fruitful for both individuals and public organizations.

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