



LITERATURE REVIEW: THE INFLUENCE OF PERFORMANCE APPRAISAL ON EMPLOYEE PERFORMANCE WITH THE ROLE OF WORK ENVIRONMENT MEDIATION AND MANAGEMENT STYLE

TINJAUAN PUSTAKA: PENGARUH PENILAIAN KINERJA TERHADAP KINERJA KARYAWAN DENGAN MEDIASI LINGKUNGAN KERJA DAN GAYA MANAJEMEN

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Abstract

This study aims to analyze the Influence of performance appraisal on employee performance by considering the mediating role of the work environment and management style. Performance appraisal is a strategic tool in human resource management to assess employee achievements and provide feedback. However, its effectiveness is often influenced by the conditions of the work environment and the leadership style applied by the organization. Through a literature review of Scopus-indexed journals from 2020–2025, this study identifies the relationship between performance appraisal, work environment, management style, and employee performance. The review results show that a fair and transparent appraisal system can enhance employee motivation and performance. The work environment acts as an important mediator because comfortable and supportive conditions influence employees' responses to feedback. In addition, transformational and participative management styles strengthen the positive impact of appraisal.

Keywords : performance assessment, employee performance, work environment, management style.

Abstrak

Studi ini bertujuan untuk menganalisis Pengaruh Penilaian Kinerja terhadap Kinerja Karyawan dengan mempertimbangkan peran mediasi lingkungan kerja dan gaya manajemen. Penilaian kinerja adalah alat strategis dalam manajemen sumber daya manusia untuk menilai pencapaian karyawan dan memberikan umpan balik. Namun, efektivitasnya sering kali dipengaruhi oleh kondisi lingkungan kerja dan gaya kepemimpinan yang diterapkan oleh organisasi. Melalui tinjauan literatur jurnal terindeks Scopus dari tahun 2020–2025, penelitian ini mengidentifikasi hubungan antara penilaian kinerja, lingkungan kerja, gaya manajemen, dan kinerja karyawan. Hasil tinjauan menunjukkan bahwa sistem penilaian yang adil dan transparan dapat meningkatkan motivasi dan kinerja karyawan. Lingkungan kerja berperan sebagai mediator penting karena kondisi yang nyaman dan mendukung memengaruhi respons karyawan terhadap umpan balik. Selain itu, gaya manajemen transformasional dan partisipatif memperkuat dampak positif dari penilaian..

Kata Kunci : penilaian kinerja, kinerja karyawan, lingkungan kerja, gaya manajemen.



1. INTRODUCTION

In an era of increasingly intense global competition, organizations are required to have human resources (HR) that are high-performing, adaptive, and productive. HR becomes a strategic asset that determines the success of the organization in achieving long-term goals. One strategic effort to improve the quality of HR is through planned and measurable performance appraisal. Performance appraisal functions not only as an administrative evaluation tool but also as an instrument for employee development, feedback provision, and a basis for managerial decision making such as promotion, compensation, and training. Thus, effective performance appraisals can drive sustainable increases in employee motivation and performance. Most management, when HR can be utilized to its fullest, the company can generate unlimited productivity, efficiency, and performance. (Vuong & Nguyen, 2022)

However, the effectiveness of performance appraisal systems in improving employee performance is not always consistent. Several studies indicate that the relationship between performance appraisal and employee performance can be influenced by contextual factors, such as the work environment and management style. This means that even if an organization has a good performance appraisal system, the results may not be optimal if the work environment is not supportive or the manager's leadership style is not aligned with employees' needs. (Ángeles López-Cabarcos et al., 2022)

The work environment includes the physical, social, and psychological conditions that affect how employees carry out their work. A conducive work environment can increase motivation, comfort, and job satisfaction, thereby enhancing the positive impact of performance evaluations on employee work outcomes. Conversely, a high-pressure or unsupportive work environment can reduce the effectiveness of the evaluation system, meaning that the work environment is an important aspect in shaping employee behavior individually.

Meanwhile, management style plays an important role in creating relationships between superiors and subordinates. Participative or transformational management styles can foster a sense of trust, engagement, and acceptance of evaluation results. In this context, management style serves as a mediator that bridges how performance evaluation results can be translated into real improvements in performance on the ground. (Ángeles López-Cabarcos et al., 2022)

2. RESEARCH METHOD

The research method uses a Narrative Literature Review (NLR) approach to examine issues regarding the influence of employee performance appraisal with the mediation of work environment and management style. NLR is a literature review approach used to collect, describe, and analyze various studies that utilize previous research with a systematic yet more flexible narrative explanation. The purpose of this literature review is to answer the questions of the research entitled *The Influence of Performance Appraisal on Employee Performance with the Mediating Role of Work Environment and Management Style*



To analyze this study, we reviewed the literature from Mendeley reference search. The articles taken from scientific journals from 2020-2025 (15 journals). In addition, the literature used included articles in English. The process of selecting literature was carried out by choosing articles that have a direct relevance to the theme of the title. Each article was then analyzed to obtain information regarding the methods used, their application, and various factors that influence performance evaluation in the context of global performance management. Through the use of the NLR method, this study is expected to generate a comprehensive understanding of effective performance assessment methods, comparisons of their implementation in different countries, as well as the determining factors for the effectiveness of performance evaluation.

3. RESULT AND DISCUSSION

a. Performance Appraisal Concept

Job evaluation is a systematic process of assessing an individual's performance within an organization. This job evaluation serves to assess employee achievements and determine the necessary development actions. Effective job evaluations must be objective and communicated openly in a two-way manner between supervisors and subordinates. The ultimate goal of this job evaluation is to motivate employees in their work (Selvarajan et al., 2018) and according to research (Vuong & Nguyen, 2022), job performance measurement has a positive impact on performance evaluation and employee inspiration. This means that job evaluations cannot be effective if performance measurement is unclear and unmeasurable. Therefore, performance measurement must be clear and measurable so that job evaluations can be effective.

b. Performance Concept

To analyze this study, we reviewed the literature from Mendeley reference search. The articles taken from scientific journals indexed in Scopus from 2020-2025 totaled 15 journals. In addition, the literature used included articles in English. The process of selecting literature was carried out by choosing articles that have a direct relevance to the theme of the title. Each article was then analyzed to obtain information regarding the methods used, their application, and various factors affecting performance assessment in the context of global performance management. Through the use of the NLR method, this study is expected to produce a comprehensive understanding of effective performance assessment methods, a comparison of their implementation in different countries, as well as the determining factors for the effectiveness of performance assessment.

c. The Influence of Performance Appraisal on Employee Performance

According to previous research (Lupenza et al., 2025), performance appraisal has a positive relationship with employee performance. This is because performance appraisal is still used in managerial decisions as a supplementary data tool in determining what strategies will be implemented in the future with the existing human resources. However, its effectiveness in this regard still depends on the work environment and the management style implemented in



the organization Performance appraisal that is supportive, transparent, and development-focused will automatically generate motivation and commitment among employees.

According to previous research (Bretz et al. in (Tarigan et al., 2025)), aligning the evaluation system with organizational goals and adopting a participatory approach encourages fairness. Previous researchers (Lyu et al., 2023) stated that fairness in work evaluation is a concrete manifestation of organizational justice in management performance.

Good research to be used in an organization must have several aspects, including: (Roberts in Tarigan et al., 2025a)

- ✓ Fairness, assessments are carried out without any personal bias. This is done based on performance / the achievement of targets set by the Company.
- ✓ Transparency, the evaluation system is communicated to all employees as a reference for the indicators being assessed.
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- ✓ Providing feedback, delivering information from supervisors to employees regarding the results of their performance evaluations.

By implementing an effective evaluation system, the organization will create motivation for employees, which will automatically improve their performance in achieving goals. This way, the organization's targets can be easily achieved.

d. Work environment and management style as a mediation in Performance Achievement

In the study (Zhenjing et al., 2022b), it was found that the work environment affects performance and serves as a mediator in its achievement. This means that if employees within an organization are satisfied with their environment, they will have positive work outcomes. A conducive work environment is attractive and motivates employee performance. They become more dedicated to the tasks assigned, which ultimately improves their performance (Zhenjing et al., 2022b). The work environment is divided into three types: physical environment, non-physical environment, and social environment. The physical environment includes lighting, air, and safety, while the non-physical environment involves interpersonal aspects such as communication, interpersonal relationships, and work culture. The social environment includes support from colleagues and team atmosphere. Additionally, management style or type of leadership can serve as a mediator for achieving performance. From previous research in (Fakhri et al., 2020), the implementation of leadership has a positive effect on performance, meaning that the leadership applied in the organization can mediate performance. There are three types of leadership applied, namely transformational leadership. Transformational leadership is leadership that encourages subordinates to develop in terms of their career and understanding of their work so that they can be motivated to perform their tasks at a higher level. In addition, transformational leadership always directs the vision and mission as well as raises awareness of organizational dynamics. Transactional leadership is a leadership style that focuses on the exchange relationship between leaders and subordinates, such as a leader giving



rewards when subordinates perform according to the targets set by the leader. With the implementation of this system, workers are motivated to carry out their work. Regarding authoritarian leadership, previous research (Pizzolitto et al., 2023) found that authoritarian leadership has a negative impact on performance achievement because it emphasizes that workers carry out tasks without being given the opportunity to express opinions, such as providing ideas or explanations regarding assignments given by leadership. This occurs because workers cannot offer suggestions or address problems related to their work. If this continues, employee performance will not be achieved, and organizational results will not meet the set targets.

4. CONCLUSION

Based on the literature results, it can be concluded that performance appraisal has an impact on employee performance. Assessments that are conducted objectively, systematically, and accompanied by feedback provide motivation, commitment, and understanding for employees regarding organizational performance standards. In addition, the work environment has been proven to serve as a mediating variable that strengthens this relationship. A comfortable, safe, and conducive work environment will have a maximal impact on performance appraisal because employees can work comfortably without any obstacles in achieving the targets given. Similarly, management style or leadership style plays an important mediating role. Leaders who are communicative, participative, and supportive are able to optimize the work evaluation process through improved performance. On the other hand, if an organization has an authoritarian management style or is less communicative with subordinates, it can lower employee commitment and performance, resulting in decreased work evaluations.

Overall, the relationship between performance appraisal and employee performance does not stand alone but is influenced by the work environment and management style. A combination of effective performance appraisal, a supportive work environment, and an appropriate management style will create a more comprehensive process in improving performance. Therefore, as a recommendation, every organization needs to regularly review its performance appraisal system, work environment, and management style applied within the organization. Has a fair and consistent performance appraisal system been created, accompanied by the creation of a comfortable work environment and the implementation of a management style that encourages openness, motivation, and employee development to achieve organizational progress.

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