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The moderating effects of gender on managerial performance assessment and dysfunctional behaviour: Evidence from Indonesia

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Abstract: Dysfunctional behaviour and gender are significant topics in economics and accounting research, especially behavioural accounting. The research has demonstrated a connection between managers' motivation and performance assessment. Organizations, both public and private engage in performance assessment as a crucial activity when assessing the accomplishment of organizational objectives. This study tries to explore the effect of managerial performance assessment and gender on dysfunctional behaviour and how it affects managers' dysfunctional behaviour. It also looks at how the role of gender in moderating the effect of managerial performance assessment on dysfunctional behaviour. The managers of Rural Banks/Sharia Rural Banks that were regulated by The Financial Services Authority Purwokerto, Central Java Province, Indonesia, are the respondents to this study. From 24 BPR/BPRS with complete data, 80 questionnaires were chosen using the purposive sampling technique. This study establishes through the use of linear regression that managerial performance evaluation has an impact on reducing dysfunctional behaviour. Additionally, research demonstrates that gender has no bearing on dysfunctional behaviour and does not moderate the effect of managerial performance assessment on dysfunctional behaviour. Other findings indicate that, despite the stereotype that women are more risk-averse, dysfunctional behaviour is not associated with gender identity. At various managerial levels, this study also discovered variations in how dysfunctional behaviour was perceived. Lower-level managers and middle-level managers, as well as lower-level managers and upper-level managers, have different perspectives on dysfunctional behaviour. Top managers and middle managers both view dysfunctional behaviour as unacceptable. Given the possibility of dysfunctional behaviour appearing while evaluating management performance, the findings of this study help to advance behavioural accounting.

Subjects: Economic Psychology; Testing, Measurement and Assessment; Economics; Business, Management and Accounting; Gender Studies - Soc Sci

Keywords: Dysfunctional behaviour; gender; managerial performance assessment

1. Introduction

According to agency theory, managers should act and work in the principal's best interests. The likelihood of dysfunctional behaviour exists because managers are human beings, rational creatures who have the propensity to maximize self-interest (Merchant & Stede, 2007). All actions taken by people intentionally placing personal interests ahead of those of the organization and its shareholders/owners are considered dysfunctional behaviour. Unreasonable budgetary slack, earnings management, dishonest reporting, excessive profit consumption, and fraud are all examples of dysfunctional behaviour (Cohen et al., 2007; Fiolleau et al., 2018). In the Indonesian context, dysfunctional behaviour in the banking industry still occurs, particularly with regard to fraud (Paramitha, 2022; Sugiari, 2021; Ulya, 2020). This is the primary reason Rural Bank failed. Bank managers are responsible for the majority of these frauds.

Dysfunctional behaviour is influenced by numerous causes. The performance evaluation is one of the elements. Performance evaluation is a crucial component to gauge how each employee contributes to the organization's value creation. Performance assessment can be done based on market size, accounting-based, or a combination measure (Merchant & Stede, 2007). (Ross, 1994) discovered that the use of non-accounting performance assessments, where work-related tension was frequently linked to dysfunctional behavior, tended to produce lower levels of work-related tension than the use of budget or profit-constrained performance evaluations. Additionally, it was discovered by (Johansen & Christoffersen, 2017) that putting an emphasis on quality in performance evaluation will reduce dysfunctional behavior.

Additionally, this study looked at how gender influences dysfunctional behavior. (Peni & Vahama, 2010) shown that companies with female CFOs have fewer discretionary accruals, suggesting that female CFOs employ more conservative methods of managing earnings. Meanwhile, the presence of women is also considered to prevent companies from carrying out earnings management (Kyaw et al., 2015) (Gull, A.A. et al., 2017), reducing the frequency of environmental violations (Chelsea Liu, 2018). Yet more data points to a possible diminishing of these advantages with increasing gender diversity. In contrast, little evidence suggests that having a diverse board of directors is negatively connected with performance, although in some industries diversity is positively correlated with performance (Chapple & Humphrey, 2014).

By studying the moderating influence of gender in influencing managerial performance assessment to dysfunctional behavior, this study builds on earlier findings. The setting of the research environment cannot be isolated from research. Findings may vary depending on the setting. This study was carried out during a pandemic, and information was gathered in 2021 using a questionnaire instrument. This is what makes this research innovative and distinctive. In both normal and pandemic circumstances, managers' views on the significance of each performance assessment and dysfunctional behavior can vary.

2. Literature review

2.1. Gender

Gender is one of the surface-level diversity's biographical traits (Robbins, Stephen P., Coulter, 2012). According to the gender socialization theory, it is evident that male and female personality traits differ in practically every circumstance when children are involved. Different work-related interests, concerns, and values are consequently created by these disparities (Dawson, 1997) Ethics is one of the ideals that are different. Feminist ethics and conventional ethics are the two ethical theories that deal with gender (Dawson, 1997). The foundation of feminist ethics rests on the ideas that women's moral reasoning has value in and of itself and that men's perspectives, which have dominated traditional moral theory, have silenced women's notion.

Women currently hold numerous critical positions in both the public and private sectors, including membership on company boards of directors and commissioners. According to a number of findings, performance is affected by disparities in position and gender. The performance of the company is positively impacted by the participation of women on the board of directors (Martín-Ugedo et al., 2019; Moreno-Gómez & Calleja-Blanco, 2018). The presence of women, however, does not affect performance (Herrera-Cano & Gonzalez-Perez, 2019) and even has a detrimental impact on corporate performance (Ahmad et al., 2019). According to research (Chapple & Humphrey, 2014), diversity is associated with performance in several businesses.

2.2. Managerial performance assessment

Performance evaluation is a crucial component to gauge how each employee contributes to the organization's value creation. The correct performance characteristics must be defined before anything else in a performance assessment (Merchant & Stede, 2007). The correct performance metrics are crucial because the goals chosen and the measurements taken affect how employees perceive what matters. Results control will encourage employees to act inappropriately if dimensional measurements are not carried out in accordance with organizational goals or established plans.

According to Edwin Locke's goal-setting theory, which was first put forth in the late 1960s, the primary source of work motivation is the intention to work toward goals (Robbins & Judge, 2013). This theory also describes how managers' performance would be impacted by a worker who is very committed to reaching goals. High levels of difficulty will also produce high performance, but low levels of difficulty will produce low performance in people who are already performing well

Additionally, (Ferreira & Otley, 2009) created a more comprehensive framework that was eventually known as performance management systems (PMSs). The management systems framework shows how Otley's five "what" questions evolved into ten "what" questions and two "how" questions. The performance management system framework includes the following questions: a). vision and mission of the organization, b). key success factors, c). organizational structure, d). strategy and plan, e). organization's key performance measure, f). level of performance does the organization need to achieve, g). processes, if any, does the organization follow for evaluating individual, group, and organizational performance, h). rewards—financial and/or non-financial—will managers and other employees gain, i). information flow, systems and networks, j). type of use is made of information and of the various control mechanisms in place, k). altering of PMSs in the light of the change dynamics of the organization and its environment, l). strongness and coherence the links between the components of PMSs and the ways in which they are use. The framework for the performance management system is shown in Figure 1 below.

2.3. Disfunctional behavior

Performance evaluation and the incentive system are linked within the context of the performance management system created by Ferreira and Otley (2009). Therefore, results control will encourage employees to do the wrong things which may encourage the emergence of deviant behavior, if the measurement of the dimensions in the performance measurement is not carried out in accordance with organizational goals or agreed-upon strategies. All actions taken by people intentionally placing their interests ahead of those of the organization and its shareholders or owners are considered dysfunctional behavior (Fiolleau et al., 2018). Previously, (Birnberg et al., 1983) categorizes dysfunctional behavior into six groups: filtering, gaming, smoothing, and biasing focusing.

Smoothing involves adjusting performance report figures in ways that don't reflect the actual situation. Biasing, when managers set goals using favourable data, for instance estimating revenues for the following year based on lower economic growth than potential ones, to make their performance appear strong. Focusing, i.e. concentrating on disclosing excellent performance and keeping bad performance hidden. Gaming is the practice of avoiding penalties or manipulating results to appear better than they actually are. Filtering; concealing performance reports that would point to an employee's subpar performance. For instance, instead of reporting January's

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Figure 1. Performance Management System Framework (Ferreira & Otley, 2009).

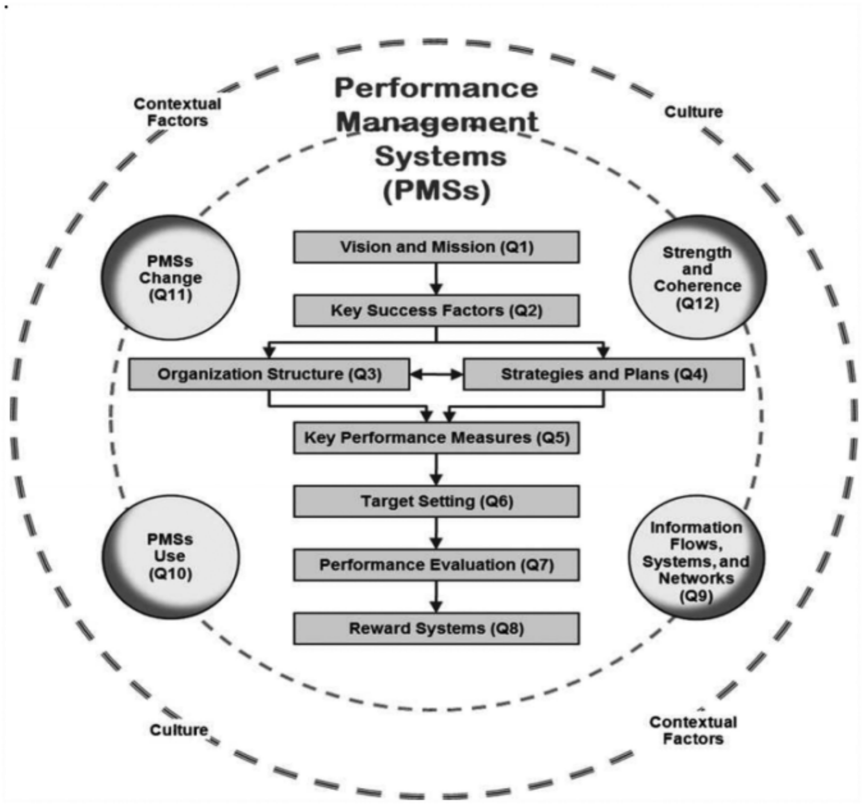
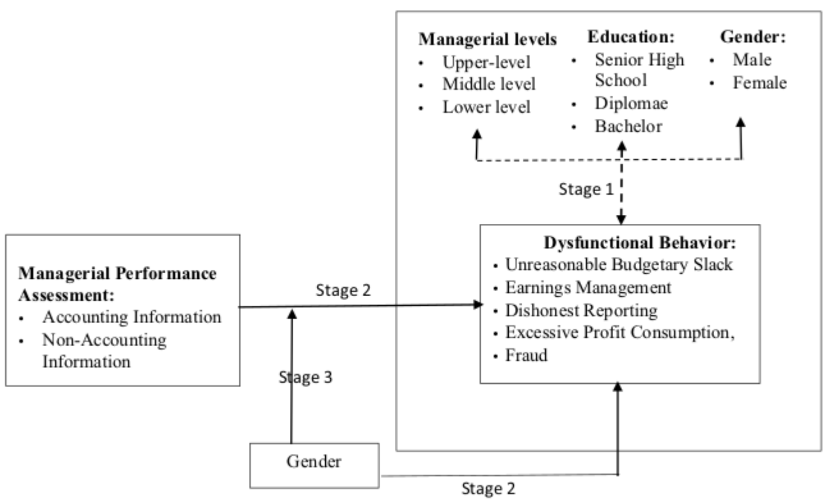


Figure 2. Data Analysis Flow.



poor performance, the first quarter's performance will be reported once February and March's performances have improved. Illegal act; Data manipulation to enhance performance. As an illustration, altering machine setup time data to make performance appear excellent (Suwignjo, 2009). Additionally, dysfunctional behavior is described as the development of irrational budgetary slack, earnings management, dishonest reporting, excessive profit consumption, and fraud (Cohen et al., 2007; Fiolleau et al., 2018).

2.4. Managerial performance assessment and dysfunctional behavior

Performance evaluation is a crucial component to gauge how each employee contributes to the organization's value creation. The performance review's findings are related to a number of employee incentives. As a result, performance evaluation affects decision-making and serves as a motivational tool. Given that it is challenging to quantify individual performance, the organization must create more practical alternatives. Market measures, accounting-based measures, and combination measures are the three categories of performance measures.

According to agency theory, managers should act and work in the principal's best interests. However, managers are logical humans who frequently act in their own best interests. The likelihood of dysfunctional behavior is increased by this. Managers should take into account the interests of all stakeholders in addition to their own and the owners' interests while making decisions. All actions taken by people intentionally placing personal interests ahead of those of the organization and its shareholders/owners are considered dysfunctional behavior.

According to research (Haris, 2019), performance evaluation has an impact on lowering dysfunctional behavior. This outcome is consistent with studies (Johansen & Christoffersen, 2017), which discovered that putting an emphasis on quality in performance evaluations is a crucial component to prevent dysfunctional behavior. Prior research (Ross, 1994) discovered that the use of non-accounting performance evaluations tended to induce lower levels of job-related tension than budget-constrained or profit-conscious evaluations. This finding is significant in light of the problematic behavior that is frequently linked work-related tension

H1: Managerial performance assessment reduces dysfunctional behaviour

2.5. Gender and dysfunctional behavior

Gender is one of the surface-level diversity's biographical traits (Robbins, Stephen P., Coulter, 2012). According to the gender socialization theory, because men and women have different traits, this has led to variations in many areas of life, including work-related interests, concerns, and values (Dawson, 1997). This is corroborated by research. According to (Akaah, 1989; Beltramini et al., 2013), women are more conscious of ethical matters than men. (Nehme et al., 2020) who studied the dysfunctional behavior of external auditors in relation to performance appraisal discovered that men generally accept dysfunctional audit behavior whereas women have a lower tolerance for it. This result is consistent with research (Easton & Giaciomino, 2001) that revealed that female students were more morally centered in their approaches to accomplishing societal (corporate) goals than male students, who were more focused on developing personal competence.

According to studies (Dawson, 1997), there are major ethical distinctions between the sexes when there are relational concerns present but not when there aren't. Additional finding indicates that age and experience level affect gender-based ethical inequalities. Furthermore, according (Peni & Vahama, 2010) companies with female CFOs tend to have smaller discretionary accruals, suggesting that they employ more conservative methods of managing earnings. According to additional research (Gull, A.A. et al., 2017), the presence of female directors prevents businesses from managing earnings (Kyaw et al., 2015). Female board members and chief executive officers (CEO) have been proven to be able to lower the frequency of business environmental infractions (Chelsea Liu, 2018).

H2: Gender affects dysfunctional behaviour

H3: Gender moderates the effect of managerial performance assessment on dysfunctional behaviour.

3. Methodology

3.1. *Variables measurement*

The managerial performance assessment variable (X) used accounting and non-accounting information adapted from (Govindarajan, 1984) namely credit marketing information, market control information, earnings information, cash flow information, return on investment (ROI) information, product new development, market development, research and development, cost reduction programs, and information on personnel development programs. The assessment was done by evaluating the level of importance of the dimensions for the manager concerned and for his superiors. Dysfunctional behaviour (Y) was measured using dimensions: unreasonable budgetary slack, earnings management, dishonest reporting, excessive profit consumption, fraud (Cohen et al., 2007; Fiolleau et al., 2018). Gender variable using a nominal scale, namely 1 = male, and 2 = female. Assessment of managerial performance and dysfunctional behaviour was measured by statements on a Likert scale of 1–5 (disagree-strongly agree)

The study's participants were managers of Rural Banks/Sharia Rural Banks from 27 BPR/BPRS in the Financial Service Authority Purwokerto working area, Central Java Province, Indonesia. The questionnaires were disseminated using the Google Forms service. 95 respondents that were chosen by snowball sampling responded to the surveys. The total number of completed and processed questionnaires was 80, with 15 of them being incomplete. With a response rate of 88.89% (24/27), this sample size is representative of the population.

3.2. *Analysis technique*

Technical data analysis was carried out in accordance with the flow, as shown in the following figure 2:

Statistical analysis is used in stages. Stage 1). To describe the differences of dysfunctional behaviour perceive between the three managerial levels of respondents and between education levels of respondents, a one-way analysis of variance (ANOVA) was used. Meanwhile, an independent sample t-test was used to examine the differences in the variance of research variables between male and female managers. Stage 2). To examine the effect of managerial performance appraisal and gender on the dysfunctional behaviour of managers using linear regression analysis. Stage 3). To examine the role of gender moderation in influencing managerial performance assessment of managers' dysfunctional behaviour, using moderating regression analysis (MRA) (Ghozali, 2005). All statistical tests using SPSS version 25 tools.

4. Results and discussion

4.1. *Respondent characteristic*

Data was collected using a questionnaire. 80 completed questionnaire responses, representing 24 BPR/BPRS out of 27 BPR/BPRS under the supervision of The Financial Services Authority Purwokerto, Central Java Province, Indonesia, were obtained and prepared for analysis (response rate: 88.89%). Table 1 lists the characteristics of the study participant.

4.2. *Descriptive statistic*

Analysis of the description of the research data can be used to enrich the discussion. Through descriptive analysis, it can be seen how respondents respond to each indicator of the variable under study, including the maximum, minimum, average, and standard deviation values of each research variable indicator. The results of the descriptive analysis of this study are presented in the following table 2:

The managerial performance evaluation (MPE) variable has a minimum value of 1.64, a maximum of 5 and an average value of 3.8666. Dysfunctional behaviour (DB) has a minimum value of 1.80 and a maximum of 4.4 and an average value of 3.4100. Gender interaction*managerial performance assessment has a min value of 1.64 and a maximum value of 4.9953.

Based on managerial positions, respondents in this study consisted of lower-level managers as many as 46 people (57.5%), middle managers 18 people (22.5%), top managers 16 people (20%). To determine the variance of dysfunctional behaviour in the three managerial groups, a One-way Analysis of Variance test was performed. The test results are presented in Table 3.

The results of the Homogeneity Variance test which presented in Table 4 showed that the Levene Statistic was 5.121 and the p-value was 0.08 (>0.05) indicating that the perception of dysfunctional behaviour was the same in the group based on the managerial level at 0.05, but differed at the level of 0.10.

The results of the Homogeneity Variance test also supported by the Between-Subjects Effects test which presented at Table 5, that showing the same results, with a p-value of 0.08.

Meanwhile, the post hoc test which presented in Table 6 shows that differences in managerial positions affect managers' perceptions of dysfunctional behaviour. Perceptions of dysfunctional behaviour between lower and middle managerial levels and between lower and top levels were

Table 1. The Characteristics of the Study Participant

No	Description		Amount (person)	Percentage
1.	Managerial Level	Lower-level managers	46	57.5%
		Middle-level managers	18	22.5%
		Top-level manager	16	20%
		Amount	**80**	**100%**
2	Education	Senior High School	8	10 %
		Diploma	15	18.75%
		Bachelor	57	71.25%
		Amount	**80**	**100.00%**
3	Sex	Male	55	31.25%
		Female	25	68.75%
		Amount	**80**	**100.00%**

Table 2. Descriptive Statistic

	N	Minimum	Maximum	Mean	Std. Deviation
MPE	80	1.64	5.00	3.8666	.65621
Gender	80	1.00	2.00	1.3125	.46644
DB	80	1.80	4.40	3.4100	.53995
Gender*MPE	80	1.64	9.00	4.9953	1.71503
Valid N (listwise)	80				

Table 3. Output One-way Analysis of Variance-Level Managerial

Between Subject Factors			
	Lower level Manager	**Middle-Level Manager**	**Top Level Manager**
Level of Managerial	46	18	16

Table 4. Test of Homogeneity Variance

Test of Homogeneity Variance			
Levene Statistic	**df1**	**df2**	**Sig.**
5.121	2	77	.008

significantly different, as indicated by p-values of 0.029 and 0.039, respectively. However, the difference in perceptions of dysfunctional behaviour between middle-level managers and top-level managers was not significantly different, as indicated by the p-value of 1.00.

Another respondent characteristic is the level of education. In this study, respondents consisted of graduating from senior high schools were 8 persons (10%), diplomae were 15 persons (18.75%), Bachelor were 57 (71.25%) persons. The results of the different tests of dysfunctional behaviour in groups based on education level are presented in Table 7 below.

Based on gender, the managers in this study were dominated by 55 men (68.75%), 25 women (31.25%). To find out the differences in the research variables in the male and female respondent groups, an independent sample t-test was conducted. In this test, different tests were carried out not only on the variables but also on the indicators of each variable. Managerial performance

Table 5. Tests of Between-Subjects Effects

Tests of Between-Subjects Effects					
Source	**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
Level of Managerial	5.774	2	2.887	5.121	.008

Table 6. Post Hoc Test

Post Hoc Test					
Criteria	**Manajerial Level**	**(J) Manajerial Level**	**Mean Difference**	**Std. Error**	**Sig.**
Tukey HSD	Top-Level Manager	Middle-Level Manager	.0000	.25799	1.000
		Lower-Level Manager	.5435*	.21793	.039
	Middle-Level Manager	Top-Level Manager	.0000	.25799	1.00
		Lower-Level Manager	.5435*	.20876	.029
	Lower-Level Manager	Top-Level Manager	−.5435*	.21793	.039
		Middle-Level Manager	−.5435*	.20876	.029

Table 7. Output One-way Analysis of Variance-Education

Between Subject Factors

	Senior High School (person)	Diploma (Person)	Bachelor (Person)
Education	8	15	57

The results of the Homogeneity Variance test which presented in Table 8 showed that the Levene Statistic was 1.653 and the p-value was 0.199 (>0.05) indicating that the perception of dysfunctional behaviour in groups based on education level was the same. This is supported by the Between Subjects Effects test which presented in Table 9 and also post hoc test which presented in Table 10 that shows a p-value (>0.05) which indicates that an increase in education level did not affect the perception of managers' dysfunctional behaviour.

assessment was broken down into performance assessments based on accounting information and non-accounting information. Dysfunctional behaviour, broken down by indicators, namely: budgetary slack, earnings management, representative faithfulness, management consumed excessive profits, and fraud. The results of the independent t-test occur in Table 11 below:

The sig value of Levene's Test for Equality of Variance indicates the level of homogeneity of the variance of the research variables between the male and female groups. The p-value of>0.05 indicates that the variance of the research variables was homogeneous. On the other hand, if the p-value<0.05 indicates that the data variable was heterogeneous. Table 10 showed that managerial performance assessments have significant differences between male and female groups with a p-value of 0.044 for performance assessment using accounting information, p 0.098 for managerial performance assessment using non-accounting information, and p 0.052 for performance assessment using a combination of accounting information, and non-accounting.

Table 8. Test of Homogeneity Variance

Test of Homogeneity Variance

Levene Statistic	df1	df2	Sig.
1.653	2	65.536	.199

Table 9. Tests of Between-Subjects Effects

	Tests of Between-Subjects Effects				
Source	**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
Level of Managerial	2.024	2	1.012	1.653	.198

Table 10. Post Hoc Test

Post Hoc Test

Criteria	Education	Education	Mean Difference	Std. Error	Sig.
Tukey HSD	Senior High School	Diploma	−.6167	.34263	.176
		Bachelor	−.4518	.29548	.283
	Diploma	Senior High School	.6167	.34263	.176
		Bachelor	.1649	.22711	.749
	Bachelor	Senior High School	.4518	.29548	.283
		Diploma	−.1649	.22711	.749

The number of the accounting information used for performance assessment in this study was 5 out of 10 performance measures used (50%), so it can be categorized as moderate size. The analysis showed that the use of accounting information in managerial performance assessment was very important for both himself and his superiors (mean 4.0291). This is different from women who think that the use of accounting information aspects in managerial performance was fairly important (mean 3.6480).

In all aspects of dysfunctional behaviour variables, there is no difference in perception between groups of male and female respondents, as indicated by the sig of Levene's Test for Equality of Variance and sig. (2-tailed) of Equal variances assumed>0.05. Only in the aspect of budgetary slack, there were differences in perception in the male and female groups with p 0.095 < 0.1.

4.3. Hypothesis testing

To determine the effect of managerial performance assessment on dysfunctional behaviour by the significant value of the tested variables. The principle of the test was to compare the p-value with the level of significance (α). The statistical estimation results were presented in Table 12 as follows:

The p-value of 0.029 with a coefficient of −0.201 means that managerial performance assessment reduced managers' dysfunctional behaviour. The statistical test results also show that gender had no effect on dysfunctional behaviour with p 0.489 (>0.05) and did not moderate the effect of managerial performance assessment on dysfunctional behaviour, with p 0.229 (>0.05).

5. Discussion

This study added to the body of knowledge regarding the link between dysfunctional behavior and managerial performance evaluation. According to agency theory, managers should act and work in the principal's best interests. The likelihood of dysfunctional behavior exists because managers are rational beings who have a propensity to maximize self-interest (Merchant & Stede, 2007). The effectiveness of job appraisal is a crucial factor in preventing dysfunctional behavior (Johansen & Christoffersen, 2017). How the metrics are applied to evaluate performance has an impact on the quality of the performance evaluation. Market value, accounting-based, and mixed measurements are available.

This study also showed that managers' dysfunctional behavior is decreased by managerial performance assessment. This outcome was inextricably linked to the use of accounting data in performance evaluation. The performance of the individual parts within the organization led to the performance of the organization as a whole. The accounting system is crucial for tracking actions and results as well as determining the rewards that will be given to people (Hansen & Mowen, 1997). An essential management control tool is responsibility accounting, which is referred to in this function. According to contingency theory, selecting the best control method will depend on the specifics of a given organization because there isn't a single control system that can be used by all organizations. The organization's chosen strategy and objectives are the main contingent variables. The selection of performance metrics will likely be heavily influenced by these objectives (Otley, 1999). In addition, managers are encouraged to act and make decisions in accordance with regulations in their area of responsibility by transparent assessments, performance assessment metrics, and enforcement of punish and reward regulations.

This study also reveals discrepancies between top and middle managers' judgments of dysfunctional conduct and lower-level managers' impressions of it, with top and middle managers showing stronger ethical sensitivity than lower-level managers. Top-level and middle-level managers appear to exercise greater caution when making decisions, particularly when those decisions fall into a gray area. The precautionary principle appears to be followed because it acknowledges the wide-ranging effects of poor decision-making, which affect the company as a whole as well as individuals. According to (Robbins, Stephen P., Coulter, 2012), top management is in charge of strategic planning and long-term business decisions. Research by (Harris et al., 2015) found that

Table 11. Independent Sample t-test Based on Gender

Variable	Male (55)		Female (25)		Sig of Levene's Test for Equality of Variance	Sig. (2-tailed) of Equal variances assumed
	Mean	Standard deviation	Mean	Standard deviation		
Managerial Performance Assessment Based on accounting information	4.0291	.81733	3.6480	.65136	.356	.044[1]
Managerial Performance Assessment Based on non-accounting Information	3.9982	.68651	3.7360	.55669	.616	.098[2]
Managerial Performance Assessment	4.0150	.73400	3.6880	.56891	.447	.052[3]
Budgetary slack	2.4545	1.11916	2.9200	1.18743	.833	.095[4]
Earnings management	1.7455	.69969	2.0000	.95743	.260	.184
Representative faithfulness	4.7818	.53371	4.7200	.61373	.384	.648
Management consumed excessive profits	3.0909	1.33712	3.3600	1.22066	.709	.394
Fraud	4.7273	.70592	4.6000	.95743	.222	.507
Dysfunctional Behavior	3.3600	.56490	.47258	.09452	.381	.221

[1]$p < 0.05$, [2,3,4]$p < 0.10$

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Table 12. Hypothesis Testing Result

Variable	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
Linear Regression					
(Constant)	4.186	0.354		11.816	0.000
Gender	0.092	0.132	0.079	0.695	0.489
MPE	−0.201	0.090	−0.244	2.222	0.029[1]
Moderated Regression Analysis					
GxMPE	0.278	0.229	0.882	1.213	0.229

Note: a. Dependent Variable (Y) : Disfunctional Behavior

[1] $p < 0.05$

performance evaluation has an impact on reducing dysfunctional behavior, and this study supports that finding. Additionally, this outcome is consistent with study (Johansen & Christoffersen, 2017), which discovered that putting an emphasis on quality in performance evaluations is a crucial component to limiting dysfunctional behavior.

This study discovered that there were no differences in the perception of dysfunctional behavior among the groups with a senior high school, a diploma, and a bachelor's degree based on the demographic characteristics of respondents based on education level. According to (Mintz & Morris, 2017), who cited Kohlberg's theory of moral development, respondents with asenior high school education or higher are in the post-conventional stage and believe that moral behavior is determined by one's actions and is a universal standard. As a result, people with this degree of education are more likely to have the same opinions on the dysfunctional behavior of managers.

Another finding of this study demonstrated that the judgment of managerial performance in terms of dysfunctional behavior was not affected by gender. It appears that gender was not a factor in the criteria used to evaluate performance. Despite the perception that women are more risk-averse than males, dysfunctional behavior is unrelated to gender identity. The performance and positioning theory provides an explanation for this finding, arguing that gender differences do not always translate into gender roles and behaviors in social contexts.

6. Conclusion

This study established the link between managerial performance evaluation and the decline in dysfunctional behavior. Half of the managerial performance metrics are based on the use of accounting information. Accounting information offered simple quantitative measures and aided managers in making the best possible efforts to meet performance expectations. For both subordinates and their superiors, accounting information indicators are important. To prevent prejudice, it was crucial to maintain a shared understanding of performance evaluation standards. Additionally, research demonstrated that gender had no bearing on dysfunctional behavior and did not affect it in a way that would be moderated by managerial performance evaluation.

The findings of the study are anticipated to provide recommendations for supervisors, such as the Financial Services Authority, in the regulation and oversight of financial institutions, particularly in the areas of caution and banking governance. Aspects of governance, such as openness in performance evaluation, clarity in system and career requirements, and openness in punishment and reward systems, will promote adherence to relevant Rural Bank rules. More generally, the use of banking prudential principles and good governance would promote sound banking, support economic growth, and promote the welfare of the public.

This study includes only rural banks and Islamic rural banks operating within the Financial Services Authority's Purwokerto working area. Greater research depth will result in more precise generalizations. In addition, as unique business processes and risk weights influence the decision-making responsibilities of managers, research in various sectors might yield a variety of findings and insights.

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