

## Disclosure of Relative Performance Information to Branch Managers of Bank X in Samarinda

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**ABSTRACT:** Publicly disseminated relative performance information (RPI) holds significant potential for enhancing employee performance, ultimately driving organizational growth. However, this approach is not without risks, as it may inadvertently foster dysfunctional behaviors that hinder progress. This study investigates the implications of RPI disclosure on the behavior of branch managers (BMs) at Bank X in Samarinda, Indonesia, using a qualitative phenomenological approach. The research focuses on three BMs with varying performance levels: high (BM A), moderate (BM B), and low (BM C). Findings reveal that despite high performance pressure, none of the BMs exhibited dysfunctional behaviors. Instead, personal ethical commitment, organizational culture, and social support emerged as critical factors in mitigating the risks of unethical actions. This study contributes to the understanding of ethical decision-making and behavioral accounting in a regulated banking sector, offering insights for designing performance evaluation systems that encourage motivation while minimizing the potential for dysfunction.

**KEYWORDS:** *Relative Performance Information, Bank, Performance Evaluation, Dysfunctional behavior*

### I. INTRODUCTION

Employee performance is a cornerstone of organizational success. Organizations constantly strive to enhance performance to achieve their goals effectively (Robbins et al., 2017). Performance evaluation plays a vital role in assessing and improving employees' skills, achievements, and growth potential (Ruth Silaen et al., 2021). By benchmarking employee outputs against established standards, organizations can identify opportunities for improvement and enhance overall productivity.

Effective performance evaluations are known to significantly impact employee motivation, which accounts for up to 78% of work motivation and leads to improved productivity (Prasasti et al., 2016). These evaluations inform decisions related to compensation adjustments, training needs, and career development planning. Bone (2012) emphasizes the importance of comprehensive performance evaluations in avoiding resource misallocation that may derail organizational goals.

In today's competitive landscape, companies increasingly employ relative performance information (RPI), where employee rankings or scoreboards are publicly disclosed. RPI is believed to foster healthy competition, boost motivation, and enhance performance (Cardador et al., 2017; Cullen et al., 2013). This practice aligns with the human tendency to engage in social comparisons of achievements (Festinger, 1954).

Despite its potential benefits, RPI has notable drawbacks. Studies by Hannan et al. (2013) and Hartmann & Schreck (2018) highlight the negative consequences of RPI, such as reduced motivation, effort distortion, sabotage, and manipulative behaviors among employees ranked lower. These challenges arise from the social pressures and cognitive responses elicited by RPI (Utomo, 2015).

This context highlights the importance of studying the application of RPI, particularly in the banking industry, which is a highly regulated sector (Bisnis.com, 2013). In this sector, credibility and public trust in banks are critical. Bank X in Samarinda City, Indonesia, the focus of this study, has implemented a public RPI system to compare the performance of its branch managers (BMs). As branch leaders, BMs operate under intense scrutiny and are expected to maintain optimal performance while facing competitive pressure from peer comparisons in the publicly disclosed rankings.

This study aims to explore the meaning of dysfunctional behavior exhibited by BMs at Bank X in Samarinda City, Indonesia, resulting from the application of RPI. Using a qualitative phenomenological approach, this research seeks to delve deeply into how BMs respond to RPI. Unlike previous studies that focused on the general provision of RPI, this study emphasizes behavioral accounting aspects to understand the implications of RPI application in the tightly regulated banking sector.

Samarinda was chosen as the research location due to its role as a dynamic economic center in East Kalimantan Province, Indonesia. Statistical data show an increase in total loan amounts from 2018 to 2023, reflecting ongoing economic activity in the region (Figure 1.1). Bank X branch offices in Samarinda also exhibit varied performance levels—high, moderate, and low—offering a unique opportunity to study behavioral accounting in different performance contexts.

The observed growth trends (Figure 1.1) highlight the increasing demand for banking services, indicating that branch managers in Samarinda operate in a highly competitive market. Moreover, the accessibility of branch offices in Samarinda facilitates direct observation of workplace environments and behavioral accounting dynamics. The combination of economic growth, diverse performance levels, and accessibility makes Samarinda an ideal and strategic choice for this research.

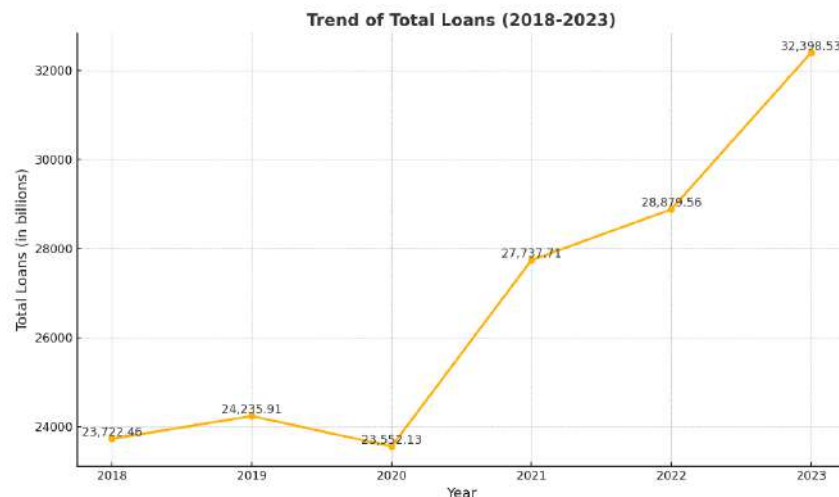


Fig. 1 Credit Distribution Growth by Usage in Samarinda City (Million Rupiah), 2018-2023

Sumber/Source:

Indonesian Central Bank of Kalimantan Timur Province  
(BPS Kota Samarinda, 2024)

This study is expected to provide new insights into understanding the effects of relative performance information more comprehensively. Additionally, this research aims to assist companies in designing performance evaluation systems that not only encourage motivation but also minimize dysfunctional behavior in the workplace.

## II. LITERATURE REVIEW

### 2.1 Theories Related to Dysfunctional Behavior

#### 2.1.1 Ethical Decision-Making Theory

Rest (1986) developed the Ethical Decision-Making Theory, which includes four components:

- Moral Awareness: Recognizing that a situation has ethical dimensions.
- Moral Judgment: Determining what action is morally right.
- Moral Intention: Deciding to act in accordance with moral judgment.
- Moral Behavior: Carrying out the ethical action.

Leaders who fail in any of these components are at risk of engaging in dysfunctional behavior.

#### 2.1.2 Performance Pressure Theory

Greve et al. (2010), through the Performance Pressure Theory, argue that high-performance pressure can drive individuals to take greater risks and disregard ethical standards to achieve their goals.

### 2.2 Preventing Dysfunctional Behavior

To prevent dysfunctional behavior in leadership, several strategies can be implemented:

1. **Strengthening Ethical Commitment:** Organizations can provide ethics training and integrate ethical values into their culture. Brown & Treviño (2014) highlight the importance of leaders serving as role models for ethical behavior.
2. **Monitoring and Accountability Mechanisms:** Implement policies and procedures that ensure leaders are held accountable for their actions (Ng & Feldman, 2015).

3. **Leader Support and Development:** Provide resources and support for leaders to manage pressure and challenges, such as coaching or mentoring. Harms et al. (2017) suggest that developing coping skills can reduce the risk of dysfunctional behavior.
4. **Ethical Organizational Culture:** Create a work environment that promotes integrity and transparency. Huhtala et al. (2013) show that an ethical culture reduces the tendency for dysfunctional behavior.

### 2.3 The Role of Emotional Intelligence

Emotional intelligence also plays a crucial role in preventing dysfunctional behavior. Leaders who can manage their emotions are better equipped to face pressure without compromising ethics. Miao et al. (2018) found that emotional intelligence is negatively correlated with dysfunctional behavior. Kaptein (2019) stated that "experiencing ethical challenges strengthens leaders' commitment to integrity in the future."

### 2.4 Implications for Leadership Practice

Understanding dysfunctional behavior in leadership has significant implications (Miao et al., 2018):

1. **Ethics-Based Recruitment:** Organizations should consider the integrity and ethical values of potential leaders during the selection process.
2. **Developing an Ethical Culture:** Ensure that ethical values are embedded in the organizational culture and supported by policies and management practices.
3. **Ongoing Monitoring and Evaluation:** Conduct regular assessments of leader behavior and provide constructive feedback.
4. **Leader Well-Being Support:** Provide resources to help leaders manage stress and pressure, such as wellness programs or counseling.

## III. METHODS

### 3.1 Research Design

A qualitative approach is used because this research is designed to obtain in-depth information about the subject being studied from the informants' perspective and other supporting data sources such as documentation and observation (Sugiyono, 2017). In this study, to achieve more profound results, a qualitative method with a phenomenological approach is employed. The researcher uses the phenomenological method because this approach can deeply explore the subjective understanding of individuals' experiences toward a phenomenon, thereby helping to uncover information related to the dysfunctional behavioral processes of Branch Managers when relative performance information is publicly displayed at Bank X in Samarinda City, Indonesia.

### 3.2 Research Location and Time

The research location is at the Branch Office of Bank X in Samarinda City, East Kalimantan Province, Indonesia and the research period is from July to November 2024.

### 3.3 Data Sources and Research Informants

There are two types of data sources used in this research: primary data and secondary data. Primary data includes information obtained directly, such as interviews lasting approximately one hour per informant, alongside field observations and document analysis. In contrast, secondary data is obtained through intermediaries like newspapers or financial reports (Helaluddin & Wijaya, 2019). In the context of this research, primary data is chosen because it aligns more closely with the qualitative method, which is a field research approach. Field research generally relies on primary data derived directly from informants and field observations.

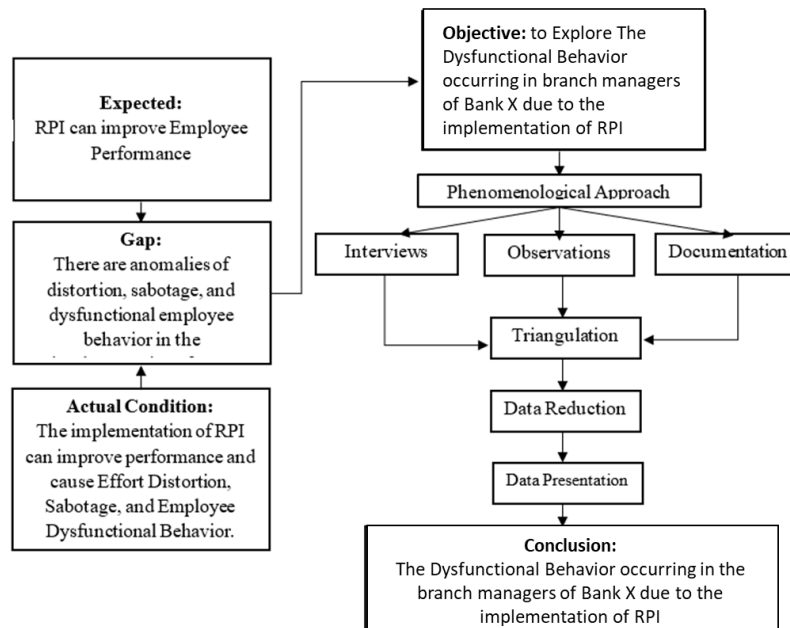
The informants in this study are Branch Managers of Bank X in the Samarinda area who fall into the categories of best, medium, and lowest performance as of June 2024, with details as follows:

No	Branch Manager	City	Performance
1	BM A	Samarinda	High
2	BM B	Samarinda	Medium
3	BM C	Samarinda	Low

### 3.4 Research Analysis Flow

The Research Analysis Flowchart is structured to understand the sequence of the research. The research begins with the existence of a gap or the phenomenon of RPI (Relative Performance Information) that connects to the research objectives, which is then analyzed through a phenomenological approach and goes through data

analysis stages consisting of four steps: data collection, data reduction, data presentation, and conclusion drawing (Miles et al., 2018), which is presented as follows:



## IV. RESULT AND DISCUSSION

### a. RESULT

In this study, the researcher aimed to understand the meaning of dysfunctional behavior experienced by three Branch Managers (BMs) at Bank X in Samarinda City: BM A, who demonstrated high performance; BM B with moderate performance; and BM C with low performance. The main focus of this research was to explore whether high performance pressure influenced their tendency to engage in unethical behavior and how they dealt with such temptations.

To obtain comprehensive results, the research employed several data collection methods. In-depth interviews were conducted to explore the personal experiences of each BM. The researcher asked how they perceived the performance pressure they faced, whether they had ever felt tempted to engage in actions that were not ethically appropriate, and how they managed such pressure. Each BM was given the opportunity to openly share their experiences, allowing the researcher to gain a clear understanding of how they processed the pressure and maintained—or risked—their professional integrity.

In addition to interviews, the researcher conducted direct observations in the workplace of each BM. These observations were crucial for understanding how the BMs interacted with their teams, especially when faced with challenging performance targets. The researcher observed how they led meetings or briefings, delivered instructions, and addressed emerging challenges. These observations provided context for the interviews and helped identify whether dysfunctional behavior might occur under intense performance pressure.

Through this combination of methods, the study provided an in-depth understanding of how each BM navigated significant challenges in achieving targets while maintaining work integrity. The research also explored whether performance pressure could act as a trigger for dysfunctional behavior or, conversely, encourage leaders to strengthen their commitment to ethical values.

#### i. Findings for BM A (High Performance)

As a high-performing Branch Manager, BM A demonstrated a strong commitment to work ethics. He emphasized that he was never driven to engage in unethical actions, even under the pressure to achieve high targets. For BM A, maintaining integrity at work was of utmost importance, even when the performance of his branch experienced a decline. The following is an excerpt from BM A's interview:

*"No, I want to do things according to the rules... I want to maintain good relationships with customers without breaking the rules."*

BM A acknowledged that performance pressure was significant, but he chose to seek honest and ethical solutions rather than shortcuts that could tarnish his reputation and that of his branch. Another excerpt from BM A:

*"There's always a better way without cheating, even though sometimes there's temptation."*

This statement illustrates that, despite the challenges of maintaining high performance, BM A upheld his integrity as a leader. Furthermore, BM A explained his efforts to set a good example for his team:

*"If we cheat, it will show, and the team will notice. So I always strive to show the right way."*

This reflects that dysfunctional behavior was absent from BM A's leadership style, and he was deeply committed to maintaining good work ethics.

#### **ii. Observations of BM A**

Observations of briefings led by BM A revealed a highly professional and organized work environment. Direct observations showed no signs of excessive pressure or any inclination toward taking unethical shortcuts to meet targets. BM A consistently emphasized the importance of integrity in every action, whether in achieving targets or upholding work ethics.

During one briefing, BM A openly stated, "We all know the targets are high, but we also know how to achieve them correctly," which was met with serious and attentive responses from the team. This statement highlighted BM A's philosophy of focusing on achieving results while prioritizing ethical and transparent methods.

Interactions between BM A and his team showed mutual trust and support for values of integrity. All team members appeared to appreciate BM A's transparent and open approach to branch management. There were no indications that dysfunctional behavior, such as data manipulation or unethical practices, was tolerated or even considered under BM A's leadership.

#### **iii. Feedback from BM A's Team Members**

Interviews with BM A's employees reinforced these findings. Employee A1 stated:

*"Never, not even once. BM A really upholds ethics and company rules. He always emphasizes the importance of integrity in every action we take."*

*"He often reminds us about the company's values and the importance of maintaining a good reputation. In every meeting, BM A always says that achievements must be attained in the right way."*

*"Even under pressure, BM A remains calm and adheres to ethical principles. He never asks us to take shortcuts or do anything unethical to meet targets."*

Employee A2 added:

*"Never, not even once. BM A is a role model in terms of integrity and professionalism."*

*"He includes work ethics topics in routine meeting agendas. BM A also organizes training on compliance and business ethics."*

*"Work pressure doesn't change BM A's principles. He remains calm and focuses on finding solutions without compromising ethics. We are encouraged to keep working according to procedures, even with tight targets."*

These statements demonstrate that BM A successfully created an ethical and transparent work culture. Employees felt safe and confident working under his leadership, as BM A consistently modeled behavior aligned with company values and rules.

#### **iv. Findings for BM B (Moderate Performance)**

BM B admitted to moments in the past where he felt tempted to engage in unethical actions, particularly when his branch was under intense pressure to meet targets. These experiences served as important lessons for him, and he resolved not to repeat such actions. BM B shared:

*"I once tried tricks like that... but it backfired on me, and the funds were even taken by another branch. It was like karma."*

BM B recognized that performance pressure could lead to temptation, but he learned that such actions did not yield long-term positive outcomes:

*"At that time, I was really under pressure, and I thought it was a quick solution, but it backfired."*

Further, BM B explained that he is now more cautious in leading his team, especially in maintaining the integrity of his branch:

*"Now I'm more aware that maintaining trust is really important. So I'm more careful with myself and my team to avoid making mistakes again."*

This illustrates that although BM B had past experiences of unethical behavior, he now focuses on ethics and integrity in his leadership.

#### **v. Observations of BM B**

The observations of briefings at BM B's branch aligned with the interviews conducted with him. The briefing atmosphere showed a cautious and well-considered approach. Direct observations revealed that BM B was focused on strategic ways to achieve targets, with a strong emphasis on the importance of integrity.

BM B addressed his team, saying, "We need to be precise in identifying potential, but never break the rules," in a firm tone, reflecting his determination to uphold ethical standards in his branch. This statement indicated that BM B was highly aware of the pressure he faced but continued to prioritize the principles and regulations that his team must uphold.

During the briefing, several team members asked questions about more effective ways to meet targets without breaking the rules. BM B responded clearly that the entire team must work according to applicable regulations, emphasizing that work ethics are a non-negotiable priority. This demonstrated that although there was pressure to meet targets, BM B consistently ensured that no unethical or dysfunctional behavior occurred within his team. These observations confirmed that despite facing performance pressure, BM B succeeded in keeping his team focused on achieving targets through legitimate and ethical means, ensuring integrity was maintained at every stage.

#### **vi. Feedback from BM B's Team Members**

Employee B1 stated:

*"Never. BM B really upholds professionalism and always reminds us to follow the established procedures."*

*"He emphasizes discipline consistently and fairly. If there are any violations, BM B will reprimand us professionally and provide guidance for improvement."*

*"BM B remains calm even under pressure. His ethical approach doesn't change, and he never pushes us to do things that violate the rules to achieve targets."*

Employee B2 added:

*"It has never happened. BM B always emphasizes the importance of following the company's rules and procedures."*

*"He enforces discipline through clear examples and policies. If there are any issues, BM B handles them professionally."*

*"Work pressure doesn't change his approach. BM B maintains his ethics and doesn't encourage us to take shortcuts."*

#### **vii. Findings for BM C (Low Performance)**

BM C, who was in a low-performance position, often felt pressured to improve his branch's rankings. During interviews, he admitted that while he never engaged in dysfunctional behavior directly, he was aware of colleagues who had succumbed to unethical actions due to pressure:

*"I've heard of branch managers doing such things... just to boost their performance."*

BM C stressed that he never resorted to such actions despite the significant challenges he faced:

*"I never did that, but I know some who might have been tempted because they were afraid of the pressure."*

Additionally, BM C acknowledged that dysfunctional behavior often stems from pressure exerted by superiors to improve performance:

*"Sometimes it's because of pressure from the top; they're afraid of getting coached, so some might resort to it."*

**viii. Observations of BM C**

The findings from interviews with BM C were confirmed by observations of his branch briefings. The briefing atmosphere was tense and filled with pressure, as evident from BM C's tone and demeanor when addressing his team's performance challenges. BM C was assertive and gave instructions in an urgent tone, stating, "We need to work harder; our targets are still not met."

During the briefing, BM C was highly focused on achieving targets, and the significant pressure he felt influenced his interactions with the team. Although there were no direct indications of dysfunctional behavior, the tense briefing atmosphere suggested the potential for excessive pressure to trigger dysfunctional behavior if it continued unchecked. Several team members appeared anxious, and their discomfort was visible throughout the briefing.

However, BM C made a considerable effort to keep his team on the right track, even though he acknowledged the substantial pressure he faced. This situation highlighted how BM C's leadership sought to balance achieving targets with maintaining the team's integrity, even though the considerable emotional pressure could pose long-term risks to the work atmosphere and team dynamics.

**ix. Feedback from BM C's Team Members**

Employee C1 stated:

*"Even though he often gets angry, BM C has never asked us to do unethical things."*

*"He emphasizes the importance of meeting targets and pushes us to work harder. However, he still emphasizes that everything must be done according to procedure."*

*"Work pressure makes BM C more emotional, but he does not compromise his integrity. He still adheres to the rules even in difficult situations."*

Employee C2 added:

*"So far, it has never happened. BM C continues to stress the importance of following procedures, even though he is often emotional."*

*"He is very focused on targets and pushes us to achieve them as quickly as possible, but always within the boundaries of ethics and company regulations."*

*"High pressure makes BM C more prone to anger and impatience, but his integrity at work remains intact. He doesn't tell us to do anything unethical."*

These statements showed that despite BM C being under considerable pressure and working in a tense environment, he continued to strive to maintain integrity and work ethics. Employees recognized that BM C demanded hard work but did not push them toward unethical actions.

**V. DISCUSSION**

The meaning of dysfunctional behavior in leadership is closely related to how leaders maintain ethics and integrity, particularly when facing performance pressures or challenges. Based on the research findings, BM A, BM B, and BM C demonstrated different attitudes in dealing with performance pressure, but none of them engaged in dysfunctional behavior. The researcher agrees that leaders with high integrity and a strong commitment to ethical values are less likely to succumb to unethical actions, even under pressure. Mayer et al. (2012) support this view by stating, "Leaders with a strong commitment to integrity rarely exhibit dysfunctional behavior, even in challenging situations."

However, some studies suggest that high pressure can increase the risk of dysfunctional behavior, especially for leaders in low-performance positions. Greve et al. (2010), in the Performance Pressure Theory, stated that "under high-pressure conditions, leaders may be tempted to disregard ethics to achieve targets." However, BM C, who was in a low-performance position, still demonstrated a commitment to maintaining integrity despite experiencing significant pressure, indicating that personal integrity can be a strong deterrent against dysfunctional behavior.

From the perspective of Rest's (1986) Ethical Decision-Making Theory, leaders with a strong moral commitment tend to adhere to ethical principles even when facing significant performance pressure. BM A, in a high-performance position, consistently demonstrated transparency and rejected manipulative practices to achieve targets, reflecting his dedication to ethics. BM B, although he might have faced temptations to engage in unethical actions in the past, now shows heightened awareness of the importance of maintaining trust and

integrity, demonstrating development in his moral commitment. This aligns with Kaptein's (2019) study, which states that "experiencing ethical challenges can strengthen a leader's commitment to integrity in the future."

BM C, who was in the most vulnerable position under stress, continued to uphold ethical principles despite the pressure to meet unmet targets. BM C chose to focus on honest target achievement instead of shortcuts, reflecting strong integrity and moral control in dealing with pressure.

In comparison with other studies, BM A demonstrated that good emotional control helps leaders avoid dysfunctional behavior. As Harms et al. (2017) concluded, BM A's emotional stability enabled him to maintain team morale and transparency without resorting to manipulation or excessive pressure. BM B, who managed stress through a mindfulness approach, chose to address emotional pressure personally, a strategy consistent with Reb et al.'s (2014) findings that "leaders who employ personal strategies like mindfulness are better able to maintain work ethics." Meanwhile, BM C, who often displayed signs of stress, still maintained his integrity and avoided unethical actions. Schaubroeck et al. (2012) supported this by stating, "Leaders with strong moral control, even under pressure, are more likely to remain honest and avoid dysfunctional behavior."

Several factors might explain why these three BMs, despite facing pressure and differing performance levels, did not exhibit dysfunctional behavior:

1. **Personal Ethical Commitment**, The researcher observes that BM A, BM B, and BM C demonstrate that personal ethical commitment plays a significant role in preventing dysfunctional behavior. Brown & Treviño (2014) highlighted that "leaders with strong personal ethical values are more likely to uphold their principles even under pressure." These three BMs seem to possess strong personal ethics, allowing them to endure challenging situations without taking shortcuts.
2. **Supportive Organizational Culture**, Organizational culture also influences the likelihood of dysfunctional behavior in leadership. Research by Huhtala et al. (2013) indicates that "leaders who work in organizations with strong ethical cultures are more likely to exhibit behavior aligned with organizational values." BM A, BM B, and BM C might be operating in an environment that promotes ethics and transparency, which helps them maintain integrity despite performance pressures.
3. **Social Influence and Support**, Research by Ng & Feldman (2015) found that "leaders who receive social support from colleagues and superiors are better equipped to handle pressure without engaging in dysfunctional behavior." BM B, for example, adopted a learning strategy from other branches, indicating positive social influence that helped him focus on honest and ethical achievements. Similarly, BM C, despite facing significant pressure, may have received sufficient support to maintain his integrity.

Overall, despite differences in performance the three BMs successfully avoided dysfunctional behavior due to personal ethical commitment, a supportive organizational culture, and social support. Their differing situations and responses highlight that workplace support, combined with strong personal values, can prevent dysfunctional behavior even under high pressure.

To prevent the emergence of dysfunctional behavior, Bank X needs to evaluate the implementation of the relative performance information system. Transparency in conveying performance information, along with punitive threats, should be reassessed to ensure that the pressure is not excessive. Bank X can emphasize the importance of managerial ethics in achieving targets and implement strict monitoring mechanisms to minimize unethical practices.

## VI. CONCLUSION

This study provides an in-depth overview of how high performance pressure can influence leaders' behavior, focusing on three Branch Managers (BM) at Bank X in Samarinda, each with different performance levels: high (BM A), moderate (BM B), and low (BM C). The study found that performance pressure does not directly trigger dysfunctional behavior among the BMs. Instead, personal commitment to ethical values, a supportive organizational culture, and the ability to manage pressure are key factors in preventing dysfunctional behavior, even in the face of significant challenges.

### a) The Role of Integrity and Personal Ethical Commitment

The three BMs demonstrated that strong personal values play an essential role in maintaining their integrity under pressure:

- BM A, with high performance, showed exceptional ethical commitment. He not only maintained his integrity but also served as a role model for his team. BM A rejected taking unethical shortcuts, even under high pressure to deliver the best results.
- BM B, with moderate performance, admitted that he had once been tempted to engage in unethical behavior in the past. However, this experience became a valuable lesson for him to be more cautious and rebuild his commitment to ethical values.
- BM C, despite being under significant pressure due to low performance, chose to maintain his integrity. He avoided unethical actions, even though he recognized that similar pressures might lead his colleagues to engage in dysfunctional behavior.

### b) Performance Pressure Does Not Always Lead to Dysfunctional Behavior



The findings revealed that high performance pressure does not necessarily result in dysfunctional behavior. Instead, how leaders process such pressure significantly determines their response:

- BM A and BM B used the pressure as motivation to seek more strategic and ethical solutions.
  - BM C, although operating in a high-pressure environment, chose to work in adherence to procedures. However, the tense work atmosphere indicated potential long-term risks to the team if the pressure was not managed properly.
- c) **The Importance of a Supportive Organizational Culture**  
An ethical organizational culture is crucial in preventing dysfunctional behavior. The BMs highlighted that company policies, ethics training, and a transparent work environment helped them stay on the right track, even under significant pressure.
- d) **The Impact of Social Support and Evaluation Systems**  
Support from the organization, such as supervision and guidance, helped the BMs manage work pressure. Additionally, the relative performance information system implemented by the company needs to be periodically evaluated to ensure that transparency does not result in excessive pressure that triggers dysfunctional behavior.

## VII. CONTRIBUTIONS AND SIGNIFICANCE OF THIS RESEARCH

This research offers valuable insights into the intersection of performance pressure, leadership behavior, and ethical decision-making, particularly within the context of a high-regulation industry such as banking. The findings contribute to both theoretical frameworks and practical applications in several significant ways:

1. **Theoretical Contributions**
  - a) **Understanding Dysfunctional Behavior and Ethical Decision-Making**  
This study advances the understanding of how leaders navigate performance pressures without resorting to unethical or dysfunctional behavior. By integrating concepts from ethical decision-making theories and performance pressure models, the research highlights the critical role of personal integrity, emotional management, and organizational culture in mitigating the risk of unethical practices.
  - b) **Behavioral Insights in Banking Leadership**  
By focusing on branch managers in a highly regulated industry, the research provides empirical evidence of how performance pressures interact with behavioral tendencies. The study contributes to the broader discourse on behavioral accounting, particularly in understanding how leaders' responses to public performance evaluations impact organizational outcomes.
  - c) **Differentiated Responses to Pressure**  
The study highlights that not all leaders respond to pressure uniformly. It identifies varied coping mechanisms and ethical stances among high-, moderate-, and low-performing leaders, offering a nuanced perspective on how personal values and organizational contexts shape behavior under pressure.
2. **Practical Contributions**
  - a) **Guidelines for Performance Evaluation Systems**  
The findings emphasize the need to design performance evaluation systems, such as relative performance information, that balance transparency with realistic expectations. Companies can use this research to refine their evaluation mechanisms to avoid creating excessive pressure that might lead to dysfunctional behaviors.
  - b) **Ethics Training and Development Programs**  
This research underscores the importance of integrating ethics and leadership training into organizational practices. Training programs can be tailored to equip leaders with the skills to manage pressure effectively while upholding ethical standards.
  - c) **Cultivating Ethical Leadership in High-Pressure Environments**  
The study provides actionable insights for organizations aiming to foster a culture of ethical leadership. By focusing on the role of supportive organizational policies and social reinforcement, companies can strengthen their efforts to create a work environment that encourages integrity and discourages shortcuts.
  - d) **Risk Mitigation in Leadership Practices**  
Understanding the triggers and preventive factors for dysfunctional behavior allows organizations to proactively address potential risks. This research offers a framework for identifying and supporting leaders at risk of succumbing to performance pressures, particularly in high-stress roles.

3. Significance for Stakeholders
  - a) For Banking Institutions.  
The study is particularly relevant for the banking industry, where ethical practices are paramount. It provides evidence-based recommendations for managing branch-level leadership and ensuring compliance with ethical standards amidst competitive pressures.
  - b) For Leaders and Managers:  
The research serves as a guide for current and aspiring leaders on maintaining integrity under pressure, offering real-life examples of both pitfalls and successful coping strategies.
  - c) For Policymakers and Regulators:  
Regulators can use these findings to encourage ethical leadership practices within the financial sector and advocate for policies that support sustainable and ethical performance evaluation systems.
  - d) For Academics and Researchers:  
The study opens avenues for further exploration into the behavioral dynamics of leadership under pressure, providing a foundation for future studies on ethical behavior and performance management in various organizational contexts.

#### 4. Novelty of this research

This research provides several unique contributions and novel insights into the intersection of performance pressure, leadership behavior, and ethical decision-making, particularly within the context of a high-regulation industry. The key aspects of its novelty are outlined below:

1. Context-Specific Analysis in High-Regulation Banking Industry
  - a) Focus on Branch Managers: The study examines the responses of branch managers (BM) in a real-world banking environment where pressure from relative performance information is high. Unlike general studies on performance pressure, this research explores the nuanced challenges faced by leaders in a highly regulated and competitive sector.
  - b) Geographical Context: By focusing on Bank X in Samarinda, Indonesia, this study highlights leadership behaviors in a growing but under-researched economic region, providing fresh empirical evidence on behavioral accounting in an emerging market.
2. Exploration of Relative Performance Information Impact
  - a) Behavioral Outcomes of Public Performance Ranking: The research examines how publicly shared relative performance information influences leaders' ethical decision-making and their likelihood of engaging in dysfunctional behavior. This aspect introduces a behavioral perspective to performance evaluation systems.
  - b) Focus on Leader-Level Impacts: Unlike prior research that often addresses team or organizational-level outcomes, this study zeroes in on individual leaders, shedding light on how they navigate performance pressures personally and professionally.

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