

# **Effect of Performance Appraisal on Employees Motivation**

A dissertation submitted to the Office of the Dean, Faculty of Management in partial fulfillment  
of the requirements for the Master's Degree

by

Ananda Thapa

Campus Roll No.: 3252/076

T. U. Reg. No.: 7-2-39-46-2012

Exam Roll No.: 23015/20

Shanker Dev Campus

May, 2024

## **Certification of Authorship**

I hereby corroborate that I have researched and submitted the final draft of dissertation entitled **“Effect of Performance Appraisal on Employees Motivation”**. The work of this dissertation has not been submitted previously for the purpose of conferral of any degrees nor. It has been proposed and presented as part of requirements for any other academic purposes.

The assistance and cooperation that I have received during this research work has been acknowledged. In addition, I declare that all information sources and literature used are cited in the reference section of the dissertation.

.....  
Ananda Thapa

## Report of Research Committee

Mr. Ananda Thapa has defended research proposal entitled “**Effect of Performance Appraisal on Employees Motivation**”, successfully. The research committee has registered the dissertation for further progress. It is recommended to carry out the work as per suggestions and guidance of supervisor Asso. Prof. Dr. Kapil Khanal and submit the thesis for evaluation and viva voce examination.

Asso. Prof. Dr. Kapil Khanal  
Dissertation Supervisor: .....  
Signature: .....

Dissertation Proposal Defended Date .....
--

Dissertation Submitted Date .....
--------------------------------------

Asso. Prof. Dr. Sajeeb Kumar Shrestha  
Head of Research Department  
Signature: .....

Dissertation Viva Voce Date .....
--------------------------------------

## Approval Sheet

We have examined the dissertation entitled “**Effect of Performance Appraisal on Employees Motivation**” presented by Ananda Thapa for the degree of Master of Business Studies. We hereby certify that the dissertation is acceptable for the award of degree.

Asso. Prof. Dr. Kapil Khanal

Dissertation Supervisor

Signature: .....

Internal Examiner

Signature: .....

Internal Expert

Signature: .....

External Expert

Signature: .....

Asso. Prof. Dr. Sajeeb Kumar Shrestha

Chairman, Research Committee

Signature: .....

Asso. Prof. Krishna Prasad Acharya

Campus Chief

Signature: .....

## **Acknowledgements**

This study entitled “**Effect of Performance Appraisal on Employees Motivation**” has been prepared in partial fulfillment for the Degree of Master of Business Studies (MBS) under the Faculty of Management, Tribhuvan University is based on research models involving the Performance Appraisal on Employees Motivation of commercial banks in Nepal.

I have great satisfaction and pleasure to express my appreciation and sincerity to my thesis supervisor Asso. Prof. Dr. Kapil Khanal of Shanker Dev Campus, TU for his excellent and effective guidance and supervision. I will remain thankful for his valuable direction useful suggestion and comments during the course of preparing this thesis without his help this work would not have come in this form. I also would like to extend my debt of gratitude Asso. Prof. Dr. Sajeeb Kumar Shrestha, Head of Research Department and I owe a deep debt of gratitude to Asso. Prof. Krishna Prasad Acharya, Campus Chief of Shanker Dev Campus who provided me an opportunity to undertake this research work. Similarly, I would like to express my sincere to my friends for their support, encouragement and help for this study work.

I highly appreciate to all the staffs of respective banks, NRB Library, Shanker Dev Campus Library and TU Central Library for their valuable advices and support in collecting and presenting the necessary data. I would also like to express my thankfulness to my friends, my family members as well as all known people who supported as well as inspired me directly or indirectly to complete this thesis. With help and support, I have been able to complete this work. I would like to take the responsibility of any possible mistakes that may have occurred in the report. I would be delighted to welcome readers for their suggestion and recommendation to improve the report.

Ananda Thapa  
February, 2024

## Table of Contents

	<i>Page No.</i>
<i>Title Page</i>	<i>i</i>
<i>Certification of Authorship</i>	<i>ii</i>
<i>Report of Research Committee</i>	<i>iii</i>
<i>Approval Sheet</i>	<i>iv</i>
<i>Acknowledgements</i>	<i>v</i>
<i>Table of Contents</i>	<i>vi</i>
<i>List of Tables</i>	<i>viii</i>
<i>Abbreviations</i>	<i>ix</i>
<i>Abstract</i>	<i>x</i>
CHAPTER- I INTRODUCTION .....	1
1.1. Background of the study .....	1
1.2. Problem statement.....	3
1.3. Objectives of the study .....	4
1.4. Hypotheses.....	5
1.5. Rationale of the study .....	5
1.6. Limitations of the study .....	5
CHAPTER- II LITERATURE REVIEW .....	6
2.1 Conceptual Review .....	6
2.1.1 Motivation .....	6
2.1.2 Employee Motivation .....	7
2.1.3 Organizational Effectiveness.....	7
2.1.4 Factors affecting Employees' Motivation .....	8
2.1.5 Employees Performance.....	14
2.1.6 Influence of Motivation on Employee Performance .....	16
2.2 Theoretical Review .....	21
2.2.1 The goal approach theory .....	21
2.2.2 Expectancy Theory .....	21
2.2.3 Goal-Setting Theory .....	21

2.2.4 Equity Theory .....	22
2.2.5 Self-Determination Theory.....	22
2.2.6 Reinforcement Theory.....	22
2.2.7 Social Cognitive Theory.....	22
2.3 Empirical Review .....	22
2.4 Research Gap.....	34
CHAPTER- III RESEARCH METHODOLOGY .....	36
3.1 Research Design .....	36
3.2 Population and Sample, Sampling Design.....	36
3.3 Nature and Source of Data and the Instrument of Data Collection .....	36
3.4 Method of Analysis.....	37
3.4.1 Data Analysis Tools .....	37
3.5 Research Framework and definition of variable.....	39
CHAPTER – IV RESULT AND DISCUSSION.....	41
4.1 Results.....	41
4.1.1 Demographic Characteristics.....	41
4.1.2 Descriptive Analysis.....	43
4.1.3 Relationship between effectiveness of PA and EM.....	46
4.1.4 Effect of PA on EM.....	47
4.2 Discussion.....	49
CHAPTER- V SUMMARY AND CONCLUSION.....	51
5.1 Summary.....	51
5.2 Conclusions.....	52
5.3 Implications .....	53
Reference	
Questionnaire	

## **List of Tables**

Table 1 Summary of Empirical Review.....	30
Table 2 Demographics Characteristics of Respondents.....	41
Table 3 Frequency table for work experience.....	42
Table 4 Frequency table for monthly income .....	42
Table 5 Descriptive Statistics of Fairness.....	43
Table 6 Descriptive Statistics of Job Satisfaction.....	44
Table 7 Descriptive Statistics of Appreciation .....	44
Table 8 Descriptive Statistics of Compensation.....	45
Table 9 Descriptive Statistics of Employee Motivation .....	45
Table 10 Descriptive Statistics of Performance Appraisal .....	46
Table 11 Correlation between effectiveness of PA and EM.....	47
Table 12 Model Summary of Motivation .....	47
Table 13 ANOVA Table.....	48
Table 14 Regression Coefficients .....	48

## **Abbreviations**

A	:	Agree
AD	:	Anno Domini
ANOVA	:	Analysis of Variance
C.V	:	Coefficient of Variation
D	:	Disagree
EBL	:	Everest Bank Limited
EM	:	Employees Motivation
EP	:	Employees Performance
Etc.	:	Et cetera
Fig.	:	Figure
H <sub>0</sub>	:	Null Hypothesis
HBL	:	Himalayan Bank Limited
IT	:	Information Technology
Ltd.	:	Limited
Max.	:	Maximum
Min.	:	Minimum
MSQ	:	Minnesota Satisfaction Questionnaire
N	:	Neutral
NBL	:	Nepal Bank Limited
No.	:	Total number of observations
PA	:	Performance Appraisal
Reg.	:	Registration
SA	:	Strongly Agree
SD	:	Strongly Disagree
SPSS	:	Statistical Package for Social Science
Std. Dev.	:	Standard Deviation

## **Abstract**

Effective PAs are a vital assessment tool for gauging the state of workers' performance and that of the company. They are also the internal motivators that propel workers to meet organizational and personal goals. This study aims to investigate the impact of performance reviews on worker motivation. The epistemology used in this investigation was positivist. This study used a descriptive and causal research design. Regression, correlation, ANOVA, and T-test have also been applied. Utilizing questionnaires, this study evaluated the efficacy of PA in EM on the commercial banks in the Kathmandu Valley. The findings demonstrated a substantial relationship between the PA and the EM and the importance of PA characteristics including fairness, appreciation, and compensation in inspiring workers to do better job. Additionally, the bank workers acknowledged that receiving fair salary and awards for their efforts encourages them to work more productively. Nonetheless, disparities in perceptions of PA are observed amongst age groups, genders, occupations, levels of education, monthly income, and years of experience.

***Key word: Performance appraisal, Employee motivation, Nepalese commercial bank***

# CHAPTER- I

## INTRODUCTION

### 1.1. Background of the study

Organizations utilize performance appraisal, sometimes referred to as performance review or performance evaluation, as a methodical approach to gauge worker productivity and job performance. It is an essential component of the performance management system, which tries to match team and individual goals with the goals of the company. Giving feedback, identifying areas of strength and progress, and making judgments about awards, promotions, training, and development are the main goals of performance appraisals.

Over time, the idea of performance appraisal has changed. Historically, administrative tasks like deciding on pay raises and promotions were the main uses of performance appraisals. But as time went on, it began to emphasize more developmental and motivational elements after realizing how much of an impact it might have on worker performance and motivation.

Employee motivation and performance reviews have a complex relationship. Performance reviews, when done well, have the potential to increase worker motivation in a number of ways.

**Feedback and Acknowledgment:** Employees receive feedback on their performance during performance reviews, which also point out areas in which they can improve. Positive reinforcement and acknowledgment for a job well done can increase an employee's confidence and sense of self, which inspires them to keep giving their best work.

**Work Satisfaction:** A fair and relevant performance appraisal procedure might contribute to a higher level of job satisfaction among employees. Employee satisfaction increases the likelihood that they will be driven to stick with the company and work hard to meet their objectives.

**Employee Engagement:** Open communication between management and staff is encouraged by a well-run performance review process. Talking about performance and improvement on a regular basis can help people feel more involved and in control, which

boosts motivation. It is crucial to remember, though, that if performance reviews are not carried out correctly, they may also have a detrimental impact on motivation. Uncertain performance standards, biased assessments, and a lack of perceived fairness can all contribute to demotivation and discontent among staff members.

Organizations must make sure that the performance appraisal process is fair, transparent, and in line with the organization's objectives in order to optimize its beneficial effects on employee motivation. Supervisors ought to receive training on how to give insightful criticism, establish ambitious but doable objectives, and fairly acknowledge and thank staff members for their contributions. Moreover, maintaining motivation and engagement levels over the performance period can be facilitated by ongoing communication and follow-up.

According to Shahzadi et al. (2014), employee motivation (EM) is the inner power that propels workers to achieve both personal and organizational goals. Put another way, it refers to the amount of vigor, dedication, and originality each worker brings to the table. EM is the psychological process that provides purpose and direction to acts, according to Kreitner (1995).

Any firm that wants to succeed and expand must treat its workers with the same respect as its assets. Employees must be happy with their working conditions and the fairness of how their duties are assessed. Employee performance (EP) is largely dependent on effective management (EM) and communication (Akinbowale et al., 2013). Employees that are motivated tend to be more autonomous. Consequently, there is a correlation between EM and EP. According to Shahzadi et al. (2014), intrinsic incentives have an impact on both the EM and EP.

Employees require parity between themselves and other workers, according to Adams (1965). This means that for employees to remain motivated for the duties they are currently assigned and those they will soon be allotted, fairness in the workplace should be seen. Furthermore, improvements to the physical environment also increase employees' moods, encouragement, and general well-being (Shahzadi et al., 2014).

Every firm uses a formal system called performance appraisals (PAs) to assess the caliber of work performed by its workers on a regular basis. Depending on the kind of organization and data required, an appraisal approach may take one of two forms: either it is future-oriented, evaluating potential by establishing goals for both short- and long-term performances, or it is past-oriented, evaluating behavior that has already occurred and providing feedback to achieve success (Cleveland et al., 1989; Fletcher, 2001; Idowu, 2017; Majid, 2016).

PA is a formal evaluation and rating that managers do on staff members during, often, an annual review meeting. It is an ongoing, far more expansive, all-encompassing, and organic process of management that emphasizes the support role of managers—who are supposed to function as coaches rather than judges—clarifies expectations between parties, and keeps an eye on the future (Armstrong, 2006).

The appraisal process is crucial to human resource management and can be used to evaluate candidates for promotions or to increase an individual's productivity (Boswell & Boudreau, 2002; Jebreel, 2015). Thus, the organization's assessment strategy may change, which ultimately affects its workforce and workplace culture (Cleveland et al., 1989). Employees need to expand their skill set, thus organizations with few departments and high cooperation typically conduct several appraisals for a range of goals (Cleveland et al., 1989).

Employee motivation has a significant impact on their output, which in turn affects an organization's ability to innovate and expand. The interview system, ratings, and measurement frequencies are related to satisfaction. Furthermore, there is a favorable correlation between the PAS and distributive and procedural fairness (Keeping & Levy, 2000; Selvarajan et al., 2018). Certain elements, such as fairness, contentment, reward, and appreciation, are among those that influence an individual's motivation. These factors are typically taken into account for multi-purpose appraisal systems since motivated employees perform better (Jebreel, 2015; Ismail & Rishani, 2018).

## **1.2. Problem statement**

In a company, the performance review procedure is essential to staff development and management. There is an increasing worry, though, that employee motivation may not be fully utilized by the existing performance review methods. Even while the procedure aims to promote employee development and higher performance, it frequently fails to keep people motivated over the long term.

Evaluating an employee's current and/or past performance related to his or her performance standards is how Dessler (2005) defines PA. Put differently, it refers to the process of making informed decisions on pay raises, training, transfers, promotions, and performance reviews in order to ensure that the company is improving (Androniceanu, 2009; Brown et al., 2010; Narban et al., 2016).

According to Holton (1995), performance is a multifaceted construct whose assessment varies depending on a range of criteria. On the other hand, Armstrong (2000) defines performance as both behavior and outcome, emphasizing that both should be taken into account when evaluating a performance (output and conduct). Performance is an individual's and an organization's unit's acrostics. An organization may manage all the other aspects that influence an individual's behavior and actions, aside from external influences that impact their personal attributes and conduct. Formal communication has a big impact on people's work ethics and management styles.

The criticism given during performance reviews is frequently viewed by employees as general, ambiguous, or unduly critical. When employees don't receive personalized, constructive criticism, it becomes more difficult for them to see their own strengths and shortcomings, which lowers their drive to get better.

Thus, the following query might be used to summarize the research's problem statement:

- a. What is the current situation of employee's performance and motivation in Nepalese commercial bank?
- b. Is there any relationship between fairness, satisfaction, appreciation and compensation and employee motivation of Nepalese commercial bank?
- c. How does the employee fairness, job satisfaction, appreciation, compensation affect employee motivation of Nepalese commercial bank?

### **1.3. Objectives of the study**

This study's primary goal is to examine how well performance reviews work and how they affect commercial bank workers' motivation. The following are the precise goals:

- a. To assess the current situation of employee's performance and motivation of Nepalese commercial bank.

- b. To examine the relationship of fairness, satisfaction, appreciation and compensation and employee motivation of Nepalese commercial bank.
- c. To assess the impact of employee fairness, job satisfaction, appreciation, compensation effect employee motivation of Nepalese commercial bank.

## **1.4. Hypotheses**

The hypotheses of the research are the following:

- H1: There is positive relationship between performance appraisal and employee motivation.
- H2: There is no positive relationship between job satisfactions on performance appraisal.
- H3: There is no significant relationship between self-assessment and employee motivation.
- H4: There is significant relationship between performance standards and employee performance.

## **1.5. Rationale of the study**

The performance and potential of the employees are significantly influenced by PA. The equitable and clear PA system aids in keeping productive staff members within the company. The motivation of employees to work is determined by a number of things. A key component of human resource management is evaluating the effects and efficacy of a PA system. The PA system has not been widely adopted in Nepal. The PA system has, however, recently been modified by the banking industry. This study could be useful in comprehending the impact of implementing a recently developed system.

## **1.6. Limitations of the study**

Since this study only looked at the banks of the Kathmandu Valley, its findings shouldn't be applied to other regions. In addition, this study has the following limitations:

- a. Only four variables were used to assess effect of PA. However, there are more than just these factors which determine the motivation in employees.
- b. Longitudinal study could not be done due to the time constraint.
- c. Qualitative analyses were done in this study, but for more accurate results qualitative analyses could have been done.
- d. Primary data was used to analyze the effectiveness of PA on EM in this study.

## **CHAPTER- II**

### **LITERATURE REVIEW**

The conceptual, theoretical, and empirical research on the connections between workers' motivation and fairness in performance reviews, job satisfaction, recognition, and pay is the primary emphasis of this chapter. The performance reviews of the staff are evaluated first. The motivation of the workforce was then examined along with theories and models. Lastly, a research framework that directed this project's design is provided.

#### **2.1 Conceptual Review**

##### **2.1.1 Motivation**

A motivation is defined as something a need or desire that causes a person to act in Webster's New Collegiate Dictionary. The definition of motivation is the act or process of motivating, while the verb motivate itself implies to provide with a motive." Therefore, motivation is the act of expressing a purpose that leads an individual to achieve a certain goal. Butkus & Green (1999) claim that the term "motivate" is the source of the word motivation, which implies to drive, push, or encourage someone to do action in order to achieve a desire (Kalimullah et al, 2010).

Motivation, according to Bartol and Martin (1998), is a force that fortifies conduct, provides direction for activity, and ignites the propensity to persist. This argument shows that people need to be sufficiently motivated and have a clear understanding of their goals in order to achieve their targets. It is an innate desire to accomplish goals and satiate an unmet need. An action that is meant to achieve a goal is called motivation, and it starts with a physiological or psychological desire. It is the final result of the interaction between organizational distinctiveness and personality behavior (IRCO).

It represents the mental processes that provide as the basis for the motivation, planning, and execution of intentional, goal-oriented actions. According to Chowdhury (2007), motivation is also a process that advances and encourages goal-directed behavior. Individuals are motivated to accomplish their personal and organizational goals by an innate strength.

According to Kalimullah et al. (2010), motivation is a set of courses focused on developing a child of strength that improves performance and directs toward achieving specific aims. Barron (1983) asserts that it is a collection of several pathways that influence and convey our actions in order to achieve specific goals (Rizwan et al., 2010).

Porter and Miles (1974) demonstrated that motivation enhances the expression and maintenance of behavior. An individual's motivation encompasses all of the reasons why he chooses to work in a particular manner. Motivation is, in actuality, "inside another person's head and heart."

### **2.1.2 Employee Motivation**

The most recent resources—financial, economic, and human—are the most crucial and can give a business a competitive advantage over competitors (Rizwan et al., 2010). Employee performance is essentially dependent on a wide range of factors, including job security, organizational structure, training and development, employee motivation, employee satisfaction, and performance reviews. However, the focus of this study is solely on employee motivation because it has a significant impact on employee performance.

One of the strategies used by managers to improve effective work management among employees in firms is employee motivation. A motivated worker focuses their efforts in that way since they are aware of the specific goals and objectives they need to meet.

According to Rutherford (1990), employee motivation makes a company more successful since motivated workers are always seeking for better ways to complete tasks, hence it is crucial for businesses to encourage employee motivation (Kalimullah et al, 2010). One of the most consistent and difficult tasks for employees is getting them to perform at their highest level even under pressure, and this may be accomplished by inspiring them.

### **2.1.3 Organizational Effectiveness**

Organization is generally defined as a group of individuals who create a distinct corporate identity for a particular goal; effectiveness is defined as achieving the intended result within the allocated resources. The idea of organizational effectiveness refers to how successfully an organization achieves the outcomes it seeks to produce (Muhammad, et

al, 2011). It has a significant impact on quickening the development of organizations (Bartol and Martin, 1998). According to Matthew et al. (2005), it is the overall satisfaction of all parties involved in the process of obtaining and effectively converting inputs into outputs.

The degree to which an organization uses certain resources to accomplish its goals without running out of those resources or putting an excessive amount of stress on its members, the community, or both is known as organizational effectiveness (Mary et al, 1996). According to Matthew et al. (2005), it is the primary ingredients' greatest combined usefulness. The degree to which an organization achieves its goals is how the goal model defines organizational effectiveness. According to the legitimacy model, an external environmental perspective is used to evaluate the performance preferences and inherent constraints of an organization, as well as its overall effectiveness (Zammuto, 1982).

Organizational effectiveness is viewed by the constituency model as "a set of several statements, each reflecting the evaluative criteria applied by the various constituencies" that are involved in the evaluation of the organization, with a focus on means criteria (Connolly, 1980).

The ability of the organization, either absolutely or relatively, to take advantage of its surroundings in order to obtain valuable and scarce resources, as well as how well it uses these resources, is how the systems resource model defines organizational effectiveness (Yuchtman, 1987). The purpose of the study is to identify the variables that boost worker motivation and the relationship between worker motivation and organizational efficacy.

#### **2.1.4 Factors affecting Employees' Motivation**

Nobody should ever work for free. Workers want to feel that they are receiving a fair wage and benefits, and they also want their employers to feel the same way (Houran). When it comes to its influence worth, money is the primary inducement. No other incentive or motivational strategy even comes close. It is superior at attracting, sustaining, and inspiring people to achieve at a greater level. Money, according to Frederick Taylor and his scientific management colleague, is the primary driver of industrial workers' motivation to increase production.

According to research, rewards now lead to employee satisfaction, which has a direct impact on how well employees perform (Kalimullah et al., 2010). Rewards are management techniques that, in theory, increase a company's effectiveness by influencing the behavior of individuals or groups. Pay, promotions, bonuses, and other forms of compensation are used by all firms to incentivize and reward high-achieving workers. Managers need to think about compensation structures when using salaries as a motivator. These structures should take into account the value that the firm places on each job, payment based on performance, personal or special allowances, fringe benefits, pensions, and other benefits.

Being a leader means knowing how to accomplish tasks correctly, and in order to do so, you must have the trust and obedience of others. Additionally, they must be motivated if you want them to believe in you and work for the company (Baldoni, 2005). Theories suggest that followers and leaders inspire each other to reach greater moral and motivational heights (Rukhmani, 2010). To put it plainly, motivation is a leadership trait. It comes from a desire to act morally both for the organization and for the individuals. Motivation and leadership are dynamic processes (Baldoni, 2005).

Organizations gain from empowerment, which also gives workers a sense of pride and belonging. In actuality, it creates a win-win relationship between employers and workers, which is seen by many employers and employees as the perfect workplace. Virtual human capacities can thrive through empowerment. Employees that are empowered give their jobs and work-life balance more attention, which improves collaboration and workflow. In empowered businesses, workers carry out their best ideas and innovations with a feeling of excitement, joy, and belonging. All things considered, they prioritize the organization's benefits over their own and labor with a sense of responsibility (Yazdani, et al, 2011).

One of the most important topics in the theory and practice of performance appraisal (PA) is still effectiveness of performance appraisal (EPA). It used to simply mean how successfully the intricate process of evaluating an employee's performance at work was operationalized (Keeping and Levy 2000). It has now developed into a thorough evaluation strategy for PA system management. Using certain "measurement" and

"outcome" criteria, this method evaluates the antecedent-outcome linkages that show signs of EPA.

The definition of trust is one's opinion about other people and their choice to act in response to their words, deeds, and decisions. Trust is essential to an organization's ability to grow and succeed, hence it should always be maintained to both assure the organization's survival and raise employee engagement (Annamalai, 2010). It has the potential to impact relationships both inside and outside of the business and have both intrapersonal and interpersonal repercussions.

Staff training is a crucial tactic for employee motivation since, regardless of how automated a business is, high production relies on employee efficacy and motivation. Giving relevant information about the consequences of their behavior on others is one method managers can encourage motivation.

#### **2.1.4.1 Recognition and Employee Motivation**

According to Jun et al. (2006), rewards and recognition have a crucial role in raising employee job satisfaction and motivation at work, both of which are closely linked to organizational success. In a study, Kalimullah Khan looked at the connection between employee motivation and rewards in Pakistani commercial banks. The study concentrated on four different incentive categories, one of which was recognition, which he examined using Pearson correlation. The findings demonstrated a strong (0.65) correlation between employee work motivation and recognition (Kalimullah et al, 2010).

In order to determine the effect of rewards and recognition on motivation and job satisfaction, an empirical study was carried out in Pakistan. 220 surveys were given out, and workers from various industries completed them. According to Rizwan et al. (2010), the findings indicated a significant ( $r=0.13$ ,  $p<0.05$ ) correlation between employee work motivation and recognition.

Ali, R. and Ahmad, M.S. (2009) carried out an empirical study to investigate the effect of incentive and recognition programs on employee satisfaction and motivation. Eighty Unilever employees were given a questionnaire, and data was analyzed using SPSS

version 16. The findings indicated that employee work motivation and recognition have a direct, positive relationship that is statistically significant ( $r=0.92$ ,  $p<0.01$ ).

An investigation about Punjabi bank employees' job satisfaction was carried out in Pakistan. Four bank workers participated in the structured questionnaire survey that was utilized to collect data. Recognition's correlation coefficient was found to be 0.251, indicating a positive association between it and job satisfaction. Internal work motivation of employees, which rises as employee happiness does, is closely linked to job satisfaction.

According to a study, this is the reason why employees' work motivation and job satisfaction are decreased when they do not receive the proper recognition and rewards. Therefore, to improve employee job satisfaction and motivation, organization and institution administrations should set up the system for awarding and recognizing employees.

The aforementioned research, literature, and discussion all strongly support the first hypothesis, which holds that giving employees credit for their work motivates them to complete assignments and carry out duties assigned to them by the company.

#### **2.1.4.2 Empowerment**

According to Harold (1997), empowerment is a leadership style that emphasizes subordinates' empowerment as a crucial component of managerial and organizational efficiency. Employee decision-making is enabled by empowerment. Granting authority and unleashing employees' potential is the essence of empowerment.

Gaining more control over "how" occupations are completed and carried out in order to promote greater growth and productivity is the primary motivator for empowerment (Smith, 1997). The distribution of power and control improves organizational success, as demonstrated by research on internal organization power and control (Honold, 1997). Empowerment is the process through which individuals, groups, and society learn how to solve organizational challenges.

Employee empowerment is crucial for enabling ongoing, positive performance feedback and for making employees feel valued (Smith, 1997). For a person to exert effort and take action in a setting where they are accountable for their actions, they must feel empowered. A healthy workplace is greatly dependent on employee contribution and their active involvement in setting up the business (Matthew, 2009).

#### **2.1.4.3 Empowerment and Employee Motivation**

Participation and empowerment of employees include their involvement in management and decision-making related to the organization's goals, policies, and initiatives. Employee motivation and satisfaction at work were favorably and significantly correlated with their perception of the standards, objectives, and political tenets of their companies. Employee motivation as a result of empowerment promotes ongoing growth and expansion within the firm (Smith, 1997).

Because employees do not waste time forwarding client complaints to management, empowerment expedites the resolution of consumer issues. Raising employee autonomy boosts productivity at work, increases their sense of self-efficacy, and motivates them to take on and finish certain tasks (Mani, 2010). Employees should be considered by managers while making decisions. Participation in organizational measures by employees raises their level of job satisfaction and motivation.

The staff is motivated and energized to perform their jobs successfully and efficiently when they are empowered. The job attributes of career overhaul and employee empowerment are critical elements that contribute to increased employee enthusiasm, trustworthiness, and loyalty to the organization. Higher motivation and more organizational loyalty are optimal for a business's growth and efficacy.

Making decisions is a deliberate series of actions for systematizing personal autonomy and sovereignty from the standpoint of faction accountability and connected to systemic control. Employee satisfaction, motivation at work, and trust in the company are all increased by employee empowerment and engagement, which also directly leads to efficiency, effectiveness, and creativity.

In his book "Great Motivation Secrets of Great Leaders," Baldoni discusses how acknowledgment and empowerment spur individuals on to work. He goes on to explain that empowerment places people in charge of their own lives and gives them the authority and duty to take action. Additionally, he noted that it is essential to our humanity for everyone to be acknowledged for the work they have done, regardless of how it was done. This way, people will be motivated to work harder the following time in order to receive greater recognition (Baldoni, 2005).

He emphasized employee empowerment and involvement in decision-making and job fulfillment in his Rules for Success since, in his view, this fosters more dedication and understanding (Matthew et al., 2005). The second hypothesis, which holds that employee empowerment boosts motivation at work, is fully supported by the literature and studies mentioned above.

#### **2.1.4.4 Employee Motivation and Organizational Effectiveness**

Employee motivation and pleasure at work are related to the employee's outlook on the company and how he goes about providing his services (Ali et al, 2009). Organizational effectiveness is the ability to identify goals and effectively achieve them in a dynamic and upbeat environment.

In Pakistan's banking and telecom industries, a study was conducted to look at the relationship between employee performance and motivation and organizational effectiveness. Pearson correlation was used on a sample of 103 respondents. The findings demonstrated a strong positive association (0.287) between organizational success and employee motivation.

The authoritarian regulations, mechanical organizational designs, and autocratic leadership styles that are prevalent in African firms all stem from the fact that top management is the only one who makes decisions and that workers are only given instructions to complete various duties. Employee motivation and innovativeness may be suppressed in these kinds of work environments, which directly affects the performance, expansion, and efficacy of the firm.

According to Matthew et al. (2009), an internally contented, happy, and driven person or employee is truly a productive worker in an organization that adds to efficiency and effectiveness of the organization which leads to maximizing of profits. Therefore, the third hypothesis—that there is a positive relationship between employee motivation and organizational effectiveness—is thoroughly supported by the literature and a number of research.

### **2.1.5 Employees Performance**

Individual characteristics, such as abilities, knowledge, skills, experience, and personality, determine an employee's performance (Vroom, 1964). Employees are responsible for their own job performance; they must be highly productive and provide quality work. Absenteeism and work satisfaction are two examples of variables that can be used to quantify employee satisfaction.

A company's reputation is enhanced when its employees are performing well because happy workers won't quit, demonstrating their trust in the management's ability to look out for them. Conversely, departing workers have negative opinions of the management and immediately begin to speak negatively about the company, damaging its reputation—which is crucial in today's ever-evolving business environment. Regardless of the nature of the work, an individual performance demonstrates comprehension and the capacity to meet the goals associated with accuracy.

The term "job performance" also refers to an employee's performance at work, and it concerns completing responsibilities assigned to them by upper management (Khan, Farooq & Ullah). Organizational and industrial psychology frequently use the concept of employee performance as a dependent variable. Companies ought to concentrate on the elements that enhance employee performance because it is an important aspect of the firm.

How people carry out their employment responsibilities is referred to as their job performance. Aside from training and innate aptitude (such as dexterity or a knack for numbers), elements related to the office environment, such as physically taxing jobs, staff morale, stress levels, and long hours, also have an impact on job performance. High levels of stress and unfavorable working conditions might compromise one's health by

encouraging bad eating or smoking habits, which can have a domino impact on one's ability to perform at work. Conversely, well-thought-out workspaces, low levels of stress, and a helpful boss can all significantly improve job performance. A key component of workplace safety and productivity is job performance.

Numerous significant factors that are dependent on the development, growth, and output of the business are reflected in job performance. Healthy workers in safe environments promote consistent output, reduce the likelihood of mishaps or injuries, and lower health insurance costs. Commonly occurring crippling illnesses, however, can put a financial and productivity burden on businesses. For example, obesity is a common health issue that raises the risk of heart problems, degenerative musculoskeletal ailments, falls, and even hearing loss. Assessments like personality and fitness for work can help forecast an employee's performance on the job to some extent. However, a variety of factors influence actual job performance, and the effects of these factors may not become immediately obvious until they start to harm performance.

The typical way to evaluate employee performance is in terms of results. It is also possible to view it in terms of conduct, though. Employee performance is evaluated in relation to the organization's performance standards. When measuring performance, a variety of metrics can be used, such as the productivity, efficiency, effectiveness, quality, and profitability metrics that are discussed in the following sections. The ability to generate earnings on a long-term basis is known as profitability. It can be stated as the return on capital used or as the gross profit to sales ratio. Effectiveness and efficiency are two different concepts. Effectiveness is the capacity of workers to achieve predetermined goals or targets, while efficiency is the capacity to provide the desired results with the least amount of resources. The ratio of productivity to input is used to express it. It is a gauge of how a person, business, or industry transforms raw materials into finished products and services. the amount of production generated per unit of resources used. The ability of goods or services to meet explicit or implicit demands is what is referred to as quality. Better goods and services are being provided at progressively more affordable prices. Everything that has an impact on and is related to an employee's work, whether directly or indirectly, is considered part of their performance. Performance encompasses both actions and outcomes.

Performance is changed from abstraction to action by the performer's behavior. Behaviors are not only tools for achieving goals; they are results in and of themselves, the culmination of both physical and mental labor put into tasks, and they are assessable independently of outcomes. There will be alignment and integration between training and real work in high performance work systems. Workers must receive training in interpersonal communication, group dynamics, and systems thinking in order to better grasp how various components of their organization interact and influence one another. When it comes to giving employees feedback on their work and the financial performance of their company, trainers are essential.

### **2.1.6 Influence of Motivation on Employee Performance**

Employee motivation is generally increased through the combined use of training and HR development. Training programs are typically tied to specific subject matter and are applicable to that subject only, whereas human resources development programs focus on cultivating and enriching broader skills useful in numerous contexts. While training programs have very specific and quantifiable goals, such as understanding a specific process, development programs concentrate on broader skills that are applicable to a wider variety of situations, such as goal setting, decision making, and leadership skills.

#### **2.1.6.1 Employee Motivation**

Motivation is defined as the desire and capacity to meet certain personal needs in order to motivate high levels of work toward organizational goals. Needs, organizational goals, and effort are the three essential components. An individual's level of intensity is measured by their level of effort. A driven person will work harder than a less motivated person. High levels, however, may not always translate into positive job performance outcomes unless the effort is directed toward the organization's advantage. For this reason, it is essential to take into account both the intensity and the quality of the effort. To be effective, effort must be focused on and aligned with organizational objectives. When employees participate in activities like career development and organizational learning, they feel like an integral part of the company, which is why training and development methods have a significant impact in employee motivation. Additionally, when they participate in team-building activities outside of the company, their morale soars, leading to an improvement in performance.

By investing time, resources, and consideration into expanding the pool of critical abilities among its employees, a business can optimize its human capital through systematic human resources development. An individual's opinions about a particular issue determine their level of motivation. Thus, motivation is a product of underlying attitudes and certain contextual elements at a given moment in time. If a process is modified randomly but attitudes and the overall environment stay the same, motivation could shift and lead to different outcomes.

As motivation comes from within, it also necessitates identifying and comprehending the demands and desires of the person. Good deeds done for the organization must be rewarded. Human resources development places an emphasis on treating people as individuals rather than as numbers, and the program inspires employees by utilizing their skills and letting them know that the company values them. It is also said to empower employees, giving them some degree of control over their jobs and the ability to create more fulfilling and opportunity-filled lifestyles.

#### **2.1.6.2 Components of Employee Motivation**

Managing a diverse and productive team requires an understanding of employee motivation. The capacity to assess and meet the needs of your staff while also guaranteeing the effectiveness and productivity of the company requires balancing encouragement and constructive criticism.

### **1. Career Development**

Regardless of size, industry, market, or profile, career development policies are critical strategic considerations for all firms. An organization's productivity, efficacy, morale, and profitability are all directly impacted by the managers' capacity and capability growth. In order to guarantee that their staff members perform at their best now and in the future, high-performing companies are paying more and more attention to the legitimacy of their hiring procedures and are also being more watchful of the professional growth of their staff members.

The process of developing one's career is ongoing in the workplace. Career development is advantageous to the company as well as the individual employee. By training workers for future roles, a company may make sure that there will be a pool of capable, devoted

workers to take the place of higher-level personnel. Additionally, companies can train staff members and place them in roles that align with their unique professional interests, needs, and objectives by using career development practices. This encourages the best possible use of employees' strengths as well as their motivation, engagement, and enjoyment.

A higher degree of strategic thinking and planning is needed to combine employee development, job-specific training, and a more comprehensive career development plan; an employee cannot be expected to provide such an overarching strategy. Being able to identify the kind of training and experiences that employees need to grow in their roles in order to fit into the organizational hierarchy and contribute to the organization's mission requires strong guidance and a broad viewpoint. Understanding and promoting career development affects an organization's capacity to draw in and hold on to high-performing workers, which can result in an organizational competitive advantage, even though it may involve some financial outlay on the side of the company.

### **Relationship of employee's satisfaction with performance appraisal**

Numerous studies have examined the relationship between employee happiness and performance reviews (Keeping & Levy, 2000), and three main approaches are typically employed to construct this relationship:

- (a) Satisfaction with performance appraisal interview,
- (b) Satisfaction with the appraisal system and
- (c) Satisfaction with performance ratings

To put it briefly, empirical research suggests that one of the most important responses to the performance review is employee satisfaction. Many studies have been done on the other variables that affect the performance assessment connection.

However, as noted by Thurston (2001), there is still a dearth of empirical research on the factors that influence employee satisfaction with performance reviews. Based on earlier research, Sims (2008) concluded that when employees are content with their work and performance reviews, they will contribute more to the accomplishments of the organization. Employees would not be encouraged to use performance appraisal reaction

to enhance their performance if they or rates are unhappy with their performance appraisal or believe it to be unfair and erroneous.

In essence, management uses performance reviews to support and assist in decision-making on employee development and happiness. For example, each employee's performance on the work is evaluated, acknowledged, and determined whether or not they qualify for promotion. Generally speaking, they hold the view that employee satisfaction responses are a more reliable indicator of a performance appraisal system's efficacy than psychometric traits. According to a survey conducted by Linder (1998), only 13% of the 50,000 respondents believed that their company's performance review system was adequate and effective.

Employees become dissatisfied and, as a result, perform worse if they believe the performance appraisal system is unjust and unfair (Rowland & Hall, 2012). According to certain other studies, such as Rubin and Edwards (2018), reaction criteria should not be undervalued because a negative attitude toward performance appraisal has the potential to destroy even the most well-designed and beneficial performance appraisal system. The majority of earlier studies have discovered a favorable correlation between performance reviews and employee satisfaction (Zaheer, et al., 2010). The following theory is constructed with consideration for the prior research on this relationship.

### **3. Organizational Learning**

Organizational learning makes predictions about how businesses and the interactions between employees will function under various administrative and cultural setups. While it is true that an organization reflects the ideals of society, organizational learning only occurs when certain cultural circumstances are met, including support from the leadership and cooperation from the workforce. Three primary themes have been identified in prior research on organizational learning: How protective routines impede learning. (Lynn et al., 2003); and the ways in which experience has modified performance attributes. (Dutton, 2003).

The process through which an organization continuously modifies and/or transforms itself by leveraging and enhancing its organizational knowledge resources in an attempt to respond to changes in the internal and external environments in order to preserve a

sustainable competitive advantage is known as organizational learning. A dynamic process of knowledge production, acquisition, and integration with the goal of building resources and competencies that improve organizational performance is known as organizational learning.

The concept of organizational learning has its roots in the understanding of experience curves. As workers gain experience over time, researchers have found that outputs rise in proportion to inputs. Managerial engagement, study duration, and knowledge level all correlate with organizational learning. Organizational learning makes predictions about how businesses and the interactions between employees will function under various administrative and cultural setups. While it is true that an organization reflects the ideals of society, organizational learning only occurs when certain cultural circumstances are met, including support from the leadership and cooperation from the workforce.

#### **2.1.6.3 Organizational Learning Theories**

Kolb's Learning Cycle states that experiential learning, also referred to as concrete experience, is just one aspect of learning. Active Experimentation, Abstract Conceptualization, and Reflective Observation are the remaining three phases. Doing or actively experiencing a task is what is meant by "concrete experience." Reflective observation entails thinking back on the event and may also involve formal evaluation, such as assessments and comments.

Drawing conclusions from one's observations is known as abstract conceptualization. Active Experimentation is the next step in the learning cycle; it comes after one has learned to apply their knowledge to create modifications, formulate plans, or test theories. Although the cycle can be started at any time, each step needs to be finished.

A well-designed training workshop should support all four of these stages, or it should give a follow-up to cover additional stages and evaluate the ones that have already occurred. Honey and Mumford developed the popular management development tool Learning Styles Questionnaire by adapting Kolb's theories to a leadership and development setting. This technique is used to determine an individual's learning strengths and areas for progress. It can be included in coaching and leadership development programs, along with other psychometric testing.

## **2.2 Theoretical Review**

### **2.2.1 The goal approach theory**

According to the goal approach hypothesis, an organization's performance is determined by its capacity to accomplish its objectives. One of the most important factors in determining an organization's performance is goal attainment. Regarding the accomplishment or failure to meet an organization's goals and objectives, regular evaluations are conducted in accordance with Etzioni's (1960) theories. Etzioni (1960) did not, however, take into account the resources that an organization need in order to fulfill its goals and aspirations. Other researchers, like Etzioni (1960), fostered a similar concept of organizational performance, as did Chandler (1962) and Thompson (1967).

Cherrington (1989) defined organizational performance as a concept of success or effectiveness of an organization, and as an indication of the organizational manner that it is performing effectively to achieve its objectives effectively. Similarly, Didier (2002) thinks that "achieving the goals that were given to you in a convergence of enterprise orientations" is performance. According to him, performance is the outcome of comparing the outcome with the target rather than just a finding of the outcome.

### **2.2.2 Expectancy Theory**

According to Victor Vroom's idea, workers' motivation is impacted by their perception that their efforts will result in greater performance, which would be rewarded. Employees are more likely to be motivated to perform well in the context of a performance review if they feel that their efforts and excellent performance will be acknowledged and rewarded through the appraisal process (Vroom, 1964).

### **2.2.3 Goal-Setting Theory**

This notion, which was put forth by Edwin Locke, stresses the significance of creating clear, difficult goals in order to improve performance and motivation. Managers and staff can establish specific performance goals with the use of performance appraisals, which can offer feedback on the goals' advancement. Employee motivation might rise when they are encouraged to establish difficult but attainable goals and receive feedback on their accomplishments (Juneja, 2015).

#### **2.2.4 Equity Theory**

This thesis, put out by J. Stacy Adams, is concerned with how fairness is seen by workers in the workplace. Employee motivation is higher if they believe that the performance review procedure is impartial and fair. However, it could also result in decreased performance and demotivation if they believe that the evaluation process is unfair or inconsistent. Smith (1963).

#### **2.2.5 Self-Determination Theory**

Deci and Ryan's (2017) approach highlights the significance of autonomy, competence, and relatedness in fostering intrinsic motivation. Employee motivation is likely to be higher when they are participating in the performance review process, have some autonomy in setting goals, get helpful criticism that advances their skills, and have a sense of belonging to the firm and their supervisors.

#### **2.2.6 Reinforcement Theory**

This theory concentrates on how actions have repercussions. Positive reinforcement, such as acknowledgment and awards for excellent work, can increase employees' incentive to keep up their good work in the context of performance reviews. Nevertheless, negative reinforcement or penalties for subpar work can also have an adverse effect on motivation (Zola, 2022).

#### **2.2.7 Social Cognitive Theory**

This theory, which was put forth by Albert Bandura, places a strong emphasis on how social influence and observational learning affect behavior. Employee motivation may rise when they see others receiving praise and rewards from the performance review process. They may then want to emulate that action and receive similar recognition (Schunk, 2012).

### **2.3 Empirical Review**

Kharabsheh et al. (2023) researched on the impact of digital HRM on employee performance through employee motivation. The goal of this study is to determine how digital HRM practices affect employee motivation, which in turn affects how well employees perform on the work—or, to put it another way, how employee motivation

functions as a mediator between digital HRM practices and employee job performance. This study employed two digital HRM practices: digital performance appraisal and digital training. Employers at industrial companies provided data via a valid and reliable questionnaire. The results indicate that employee motivation and job performance were significantly impacted by digital training that employee motivation and performance appraisal were significantly impacted by digital performance appraisal, and that employee motivation had a significant impact on job performance. As a result, it was determined that the impact of digital HRM practices on work performance was partially mediated by employee motivation. It was determined that competent workers are driven to perform at higher levels on the job when they are aware of their performance level. The findings theoretically encouraged researchers to conduct additional research in order to investigate how employee motivation affects job performance in relation to other HRM practices. Organizations are empirically asked to use digital tools for employee performance evaluation and training sessions.

Shrestha (2023) researched on motivating employees through job design and compensation: an observation. The purpose of this study is to investigate how work design and pay relate to and affect employee motivation. Its foundation is primary data collected through the distribution of questionnaires to fifteen business groups in Nepal. The findings demonstrate a strong positive correlation between work design and employee motivation. Similarly, the findings show a strong positive correlation between employee motivation and compensation. In actuality, workers who believe their jobs are well-designed exhibit high levels of motivation at work. Furthermore, when workers believe that their compensation is just and effective, they become very motivated at work. Organizations must therefore rethink employment policies and promote employee trust in order to increase staff motivation. To boost employee engagement, they must also create incentive and reward plans that their staff can rely on.

Gautam (2023) analyzed on human resource management practices in Nepali industries. This essay aims to investigate the situation of HR management procedures in Nepal's pharmacy industry. According to the study's findings based on interviews, the pharmacy industry follows most of the recommended best practices, and the results are evident in their exceptional customer service. The purpose of this practical study is to draw attention to the problems and conditions surrounding human resources in the pharmaceutical

sector. Nevertheless, they need to start making changes if they want to make things better. Some understanding of the overall status of the pharmaceutical sector can be gained from these data. It was found that the drugstore under investigation adheres to best practices, which may explain why Nepal's weak pharmaceutical sector is a reflection of the nation's precarious socioeconomic and political-legal situation. These companies hire highly skilled and competent individuals. High-level managers are refining their abilities to create strategic plans and objectives. HR directors are responsible for making sure these adjustments are applied correctly and to the organization's advantage. Applying some of the new HR solutions significantly raises the caliber of internal organizational operations.

Sapkota (2023) examined on issues on role of gender, age and qualification of faculties on job performance. This study aims to investigate the relationship between faculty members' perceived organizational fairness and work performance and their gender, age, and qualification. Seven QAA-certified universities' faculties were selected for this investigation using judgmental sampling. Using Slovin's formula, 396 faculties were the sample size. A cross-sectional and descriptive study design was employed. According to this study, there is no correlation between faculty qualifications, age, or gender and work performance in Nepalese QAA Colleges. The study's most significant finding is that job performance at work is significantly motivated by fairness.

Biswakarma and Kadayat (2023) analyzed performance appraisal system and employee motivation in international non-governmental organizations in Nepal. The purpose of this study is to investigate Nepal's international non-governmental organizations' performance evaluation system. It also aims to examine how these Nepalese firms' performance rating systems affect worker motivation. A mixed technique was used in the investigation. A systematic questionnaire with 300 employees was used to gather data; 212 responses came from six INGOs with operations in Nepal and five HR managers for the INGOs. The goal of the performance appraisal, the performance appraisal standard, the feedback on the performance appraisal, the dependability of the ratings, and the assurance of employee motivation were all taken into consideration by the performance appraisal system. The aim of performance appraisals, rater assurance, and rating reliability were found to have a substantial impact on employee motivation. Employee motivation was not considerably impacted by input regarding performance appraisals or performance appraisal standards, on the other hand.

Maharjan (2023) examine the impact of performance appraisal system on employee motivation in life insurance companies in Nepal. This study looks at how Nepalese insurance companies' employee motivation is affected by their performance appraisal method. 219 observations from primary data from 24 insurance firms served as the basis for this study. A structured questionnaire is created in order to fulfill the study's objectives. In the context of Nepalese insurance businesses, regression models are constructed to examine the link, significance, and effect of performance appraisal system on employee motivation. The outcome demonstrates a positive correlation between employee motivation and training and development. It suggests that the more training and development opportunities there are, the more motivated employees are within the company. In a similar vein, employee motivation and communication have a favorable link. It suggests that stronger employee motivation would result from an improved organizational communication system. Moreover, there exists a positive correlation between employee motivation and commitment. It suggests that increased employee motivation would result from greater organizational commitment. Furthermore, there is a good correlation between employee motivation and the feedback system. It suggests that an employee's motivation would increase in proportion to the feedback they receive. Similarly, the regression analysis reveals that positive beta coefficients are associated with employee motivation in the areas of communication, commitment, training and development, rewards and recognition, and feedback systems.

Berdicchia, Bracci and Masino (2023) conducted a research on disentangling the effect of perceived performance management system accuracy on intrinsic and extrinsic motivation. The purpose of this study is to investigate how employees' motivation is affected by the perceived accuracy of performance management systems (PMS). A questionnaire was sent to a sample of local government workers in order to gather data. Two measurement waves (T1 and T2), each with a four-month lag between them, were used to gather data longitudinally. The findings showed that task uncertainty and decision-making involvement both significantly moderated the link between perceived PMS accuracy and extrinsic motivation, and that perceived PMS accuracy is positively associated with both intrinsic and extrinsic motivation.

Kalogiannidis (2022) conducted research on Impact of employee motivation on organizational performance. A scoping review paper for public sector. Reviewing the various research on employee motivation and its effect on organizational performance was the goal of the scoping review study. The Arksey and O'Malley framework served as the foundation for the scoping review study. ProQuest, Web of Science, Statista, and Google Scholar were the primary databases searched systematically for papers published between 2010 and 2020. The review concentrated on how employee motivation affects organizational performance through a variety of factors, including workplace culture, management styles, employee traits, and rewards and recognition. The analysis revealed a stronger correlation between employee motivation and organizational performance. Nonetheless, there are supplementary variables that impact an employee's capacity for optimal performance. According to the theoretical and editorial literature analyzed for this study, employees' degree of job performance depends on a variety of motivational factors.

Fakai (2022) conducted a research on performance appraisal on employees' motivation in commercial banks of Sokoto State, Nigeria. Performance appraisal is a tool used by organizations to determine the rate at which employees perform and is usually measured by the organizations' growth, progress review and recognition of the society. The study's objective was to ascertain how performance management and objective production affected the motivation of workers in commercial banks. One hundred and seventy-two managers and staff members from ten Sokoto state-based commercial banks with national permission were chosen at random to provide data. The study utilized a descriptive survey design. The participants were given an online questionnaire divided into three sections. The demographic data was shown in a statistical table with an understandable explanation. Using SPSS, regression analysis and chi-square tools were used to examine the two hypotheses, respectively. Since the null hypotheses were rejected at the significant level of 0.000 in every test, it was evident that every variable was significant. The results showed that, with a p-value of  $0.000 < 0.05$ , objective production significantly affects workers' motivation. Similarly, with a p-value of  $0.000 < 0.05$ , the results demonstrated that performance management significantly affects employees' motivation. The management of commercial banks was advised to consider the use of performance appraisal templates as a means of effectively pushing staff to produce more. In summary, the study's findings suggested that motivating employees should take into account both their performance and their documented performance evaluations.

Anna (2021) conducted a research on innovative, intangible ways of motivating employees in modern enterprises in the time of the Covid-19 pandemic. A crucial component of human resource management strategy is employee motivation. It is extremely challenging to create a successful incentive program in a business, particularly during pandemics when people are apprehensive and fearful of what lies ahead. The study's objective is to find novel, intangible means of employee motivation, such as work-life balance concepts, corporate culture, leadership philosophies, and trust management. The responses were then categorized, leading to the study's list of intangible motivating techniques. It is important to note that the author discusses an unconventional method of motivating employees that differs from the common understanding of it solely in terms of compensation. This is because employees today have different expectations, and during a challenging pandemic, they lose confidence in their ability to meet new problems and a sense of security. Furthermore, this strategy is further strengthened by the fear of losing one's work. The discrete components of intangible motivation demonstrate how crucial it is for management to treat staff members with positivity and encouragement. The author plans to do empirical research on the frequency of use of these parameters at particular companies following the Covid-19 outbreak.

Achim and Balan (2021) conducted a research on the importance of employee motivation to increase organizational performance. The current study begins with the assumption that everyone understands what "motivation" is and how important it is as a phenomenon in general. Motivation seems to remain a secret for (too) many employers, despite the fact that it is constantly addressed in specialty works and examined and debated at congresses, seminars, and internal meetings. Surveys conducted among employees hired by large corporations unequivocally show that these employees lack motivation based on their value to the company. In this study, we will insist and plead for the possibilities of application and results of an effective non-financial motivation plan to the internal climate and long-term performance of the firm, even though the financial side of motivation is widely preferred and known by both employer and employee. The current study aims to comprehend the strategic significance of non-financial motivation in the management process. It is widely recognized that the level of human resource motivation plays a critical role in determining an organization's performance and reputation.

Lee and Raschke (2021) conducted a research on Understanding employee motivation and organizational performance: Arguments for a set-theoretic approach. Better organizational performance is a result of motivated employees, according to empirical research. The purpose of this conceptual paper is to outline the advancements made in the knowledge of employee motivation and organizational performance as well as to make recommendations for future developments in this area of study. We point out the current shortcomings in theory development and recommend a different line of inquiry. The current development of motivation theory is predicated on traditional quantitative analysis, such as structural equation modeling and multiple regression analysis. Researchers consider combinations and configurations of a collection of relevant factors because they are interested in the context and a holistic knowledge of this social phenomenon. We propose that in addition to the current conventional quantitative analysis, researchers should employ a set-theoretic method. We provide a set-theoretic strategy to leverage employee motivation for organizational performance in order to progress existing thinking.

Ahamed (2021) conducted a research on a study on employee motivation and its influence on the performance of the organization. In this unstable and competitive economy, most organizations are fighting for survival. Employee performance and motivation are crucial components of any organization's long-term success. On the one hand, performance evaluation is essential to an organization's management since it shows the progress and accomplishments of the company. However, a number of research have shown that employee motivation and organizational effectiveness are positively correlated. The purpose of this essay is to examine the factors that propel high levels of organizational performance in employees. Research indicates that elements like acknowledgment and empowerment boost worker motivation. Employee desire to work will improve along with their successes and the performance of the organization if they feel more empowered and recognized. However, employee discontent brought on by repetitive tasks and client demand may impair organizational effectiveness. As a result, absenteeism from work may rise, and workers may decide to join other companies that provide greater benefits and better working circumstances. Since no two people are same, distinct tactics should be used to encourage each one. For instance, a better work environment or a larger commission may inspire one person, whereas job happiness or job satisfaction may inspire another.

Kelli (2018) conducted a research on a study of motivation: how to get your employees moving. The majority of businesses in today's workforce want motivated workers who are prepared to work, but they often lack an understanding of what actually inspires people. If workers had a stake in the company's success, businesses might operate more effectively. In order for a person—and especially an employee—to flourish in the job, certain needs must be satisfied. The study looks at various motivational theories, how applicable they are to the workplace, and how managers might use the ideas to guarantee contented and driven workers. Aristotle's seven causes, Herzberg's two-factor theory, Maslow's hierarchy of needs, and the various motivational styles are among the most significant theories. Every theory is connected by the idea that everyone has needs that must be met. Since each employee is in a different stage of life, different management strategies are needed. It is demonstrated that an employee's motivation must originate from within. The theories that have been looked into will aid in explaining how managers can encourage self-motivation among their staff members and assist them perform their best job. Finally, research focuses on the ways in which managers might apply various kinds of incentives in their particular workplaces. This will demonstrate the significance of motivation for all industries as well as how it varies and affects how much business a company makes. A corporation with motivated personnel will eventually succeed.

Weeraratne (2018) conducted a research on impact of employee's motivation on organizational effectiveness. This research aims to investigate the relationship between organizational success and employee motivation as well as the factors that affect employee motivation. Based on the research, a model was created that connected organizational effectiveness with employee motivation elements. Based on the model and the literature, three hypotheses were developed and tested in light of earlier research and writings. Numerous studies and a body of literature have determined that employee motivation is positively impacted by recognition and empowerment. Employee motivation to work will increase in proportion to an organization's level of employee empowerment and recognition. Additionally, there is a favorable correlation between organizational effectiveness and employee motivation. The performance and prosperity of the organization will increase in direct proportion to the employees' motivation to complete assignments.

Table 1

*Summary of Empirical Review*

SN	Date	Article	Writer	Objectives	Methodology	Findings
1	2023	Motivating Employees through Job Design and Compensation: An Observation	Shrestha	To examine the relationship and impact of job design and compensation on employee motivation	It is based on primary data obtained by distributing questionnaires to 15 Nepalese business organizations	The findings demonstrate a strong positive correlation between work design and employee motivation. The findings show a strong positive correlation between employee motivation and compensation.
2	2023	Performance Appraisal System and Employee Motivation in International Non-Governmental Organizations in Nepal	Biswakarma and Kadayal	To explore the performance appraisal system of International Non-Governmental Organizations in Nepal.	The study adopted a mix-method. Data were collected using a structured questionnaire of 300 employees, with 212 responses from six INGOs	The aim of performance appraisals, rater assurance, and rating reliability were found to have a substantial impact on employee motivation. However, there was no discernible effect on employee motivation from performance rating standards or comments.
3	2023	Impact of human resource management practices on employee performance in Nepalese commercial banks	Jaiswal	To examine the impact of human resource management practices on employee performance.	The study is based on primary data of 27 commercial banks with 150 respondents with structured questionnaire	In the context of Nepalese commercial banks, the significance and value of HRM practices on employee performance are tested using regression models and correlation coefficient estimations.
4	2023	human resource management practices in	Gautam	To examine the current state of HR management	A set of research questions was created to collect comments,	Human resource procedures have a significant and long-term effect on an employee's capacity to provide excellent work. Industry best

		Nepali industries		practices in pharmacy sector of Nepal	Quantitative research employs methodological tools.	practices should address expanding workforces, changing workplaces and cultures, reorganizing organizations, and the pervasive and frequently detrimental effects of technology.
5	2023	Issues on Role of Gender, Age and Qualification of faculties on Job Performance	Sapko ta	to examine the association of gender, age and qualification of faculties with their perceived organizational justice and job performance	Sample size was 396 faculties determined by using slovins formula. Descriptive and cross-sectional research design was used	According to this study, there is no correlation between faculty qualifications, age, or gender and work performance in Nepalese QAA Colleges.
6	2018	Impact of Employees Motivation on Organizational Effectiveness	Weera ratne	to identify the factors that effects employee motivation and examining the relationship between organizational effectiveness and employee motivation	It adopted the longitudinal time dimension, specifically, the panel method. Document analysis was the main research procedure adopted to collect secondary data for the study.	Employee motivation is positively impacted by empowerment and recognition. Employee motivation to work will increase in proportion to an organization's level of employee empowerment and recognition.
7	2018	A Study of Motivation: How to Get Your Employees Moving	Ilie	To examine different theories of motivations, how they are relevant to the workplace, and how employers	It applies regression and correlation to analyze achieve the objectives.	It is demonstrated that an employee's motivation must originate from within. The theories looked at will aid in explaining how managers may encourage self-motivation and the best work output from their staff.

- can implement the theories.
- 8 2021 An Empirical Study of Employees' Motivation and Its Influence on Job Satisfaction Ali and Anwar to analyze the level of employee satisfaction and work motivation. The vigorous processes of research were undertaken with findings, conclusions and recommendations being made on the basis of analytical manipulation of data. The rapport and communication between management and staff is one of the organization's greatest assets. It also addresses how employee satisfaction is impacted by culture.
- 9 2021 The importance of employee motivation to increase organizational performance Achi and Balan to understand the strategic importance of the non-financial motivation in the management process. The regression models are applied to test the significance and importance of motivation of management and organizations. The rapport and communication between management and staff is one of the organization's greatest assets. It also addresses how employee satisfaction is impacted by culture.
- 10 2021 Understanding employee motivation and organizational performance : Arguments for a set-theoretic approach Lee and Raschke to articulate the progress that has been made in understanding employee motivation and organizational performance. Current motivation theory development is based on conventional quantitative analysis (e.g., multiple regression analysis, structural equation modeling) To supplement current standard quantitative analysis, researchers use a set-theoretic method to consider many combinations and configurations of a set of relevant variables. We provide a set-theoretic strategy to leverage employee motivation for organizational performance in order to progress existing thinking.
- 11 2021 A Study on Employee Motivation Ahamed To survive in this volatile and fierce organizational performance and Satisfaction, There is a chance that absenteeism from work will rise and that workers would defect to other

		and Its Influence on The Performance of The Organization	market environment.	management are the variable of the study.	companies that provide more incentives and better working conditions. Since no two people are same, distinct tactics should be used to encourage each one.	
12	2022	Impact of employee motivation on organizational performance	Kalogiannidis is	to review the different studies about employee motivation and its impact on organizational performance	based on the Arksey and O'Malley framework and published in the period between 2010 and 2020	The review concentrated on how employee motivation affects organizational performance through a variety of factors, including workplace culture, management styles, employee traits, and rewards and recognition.
13	2022	Employee motivation, an organizational performance improvement strategy	Ochola a	To examine the influence of employee motivation on organizational performance	By using Hausman test and thereafter fixed effects approach	The purpose of the study was to investigate how employee motivation affects an organization's performance. Document analysis was used in the study to collect pertinent data that was needed for the investigation.
14	2022	Performance Appraisal on Employees' Motivation in Commercial Banks of Sokoto State, Nigeria	Fakai	to determine the impact of objective production and performance management on employees' motivation in commercial banks	The study adopted a descriptive survey design. Online questionnaire which was segmented into three parts was given to the participants.	The results showed that, with a p-value of $0.000 < 0.05$ , objective production significantly affects workers' motivation. Similarly, a p-value of $0.000 < 0.05$ indicated that performance management significantly affects workers' motivation.
15	2023	The impact of digital HRM on	Khara bsheh, et al.	To investigate the effect of digital HRM	Collecting data using a valid and reliable	It was determined that competent workers are driven to perform at higher levels on the job when they

	employee performance through employee motivation		practices on questionnaire from employees are aware of their performance level.
			employee motivation and hence employee job performance
16	2023	the differing effects of individual- and group-based pay for performance on employee satisfaction: the role of the perceived fairness of performance evaluations	Bae examines the varied effects of individual-based pay for performance and group-based pay for performance
			Examining a twelve-year panel data set
			The findings demonstrate a significant positive association between pay satisfaction, organizational satisfaction, and job satisfaction and the perceived fairness of performance evaluations.

---

## 2.4 Research Gap

It indicates to the research void left by earlier investigations. The goal of the research project differs significantly from that of the other academics' investigations (pertaining to commercial banks). First, there is a research gap in the sample banks and fiscal years between the current study and the earlier studies. The investigation of employee motivation and the effect of performance reviews on motivation is the main emphasis of this study, which is set against the backdrop of Nepal's banking sector and the financial success of Himalayan Bank Limited, Nepal Bank Limited, and Everest Bank Limited. This study made use of a variety of statistical and financial instruments. Among them, the most effective financial and statistical instruments are the questionnaire and regression analysis. Compared to earlier studies, this one differs slightly. This study on job satisfaction may be one of a handful that looks at Himalayan

Bank Limited, Nepal Bank Limited, and Everest Bank Limited. This study attempts to show how employees are satisfied and how it affects daily living.

## **CHAPTER- III**

### **RESEARCH METHODOLOGY**

This quantitative correlational study aims to ascertain whether and to what degree there is a relationship between work-life balance and employee job happiness in the banking sector, as well as the relationship between intrinsic job satisfaction and the banking business in Nepal. The purpose of this investigation is to investigate the productivity and motivation of the Kathmandu Valley employees of HBL, NBL, and EBL. The goal of the study is to investigate and evaluate how employee motivation is affected by performance reviews. The study used an analytical and descriptive research design. Using regression analysis in SPSS, the relationship between the independent and dependent variables was found.

#### **3.1 Research Design**

This study will use an analytical and descriptive research design. The primary components found in the literature review motivator and hygiene factors, in particular are the focal points around which the study's variables are centered. The method of comparison study was selected because it is comparatively cost-effective when considering time and resources for comparing and describing the phenomena of employee motivation and satisfaction. Additionally, this study design is excellent for variables that are difficult to differentiate and situations in which doing an experimental study is not feasible.

#### **3.2 Population and Sample, Sampling Design**

A modified version of the "Minnesota Satisfaction Questionnaire" (MSQ), created by the University of Minnesota in 1977 and administered to a sample of 400 employees, was the instrument used to gather data.

#### **3.3 Nature and Source of Data and the Instrument of Data Collection**

Completed questionnaires from respondents served as the main source of data for this study. Using Google Docs, an organized survey was distributed by email, Viber, Facebook Messenger, and Viber. The questionnaire respondents were not under any obligation to appease the researcher and could freely respond to the questions in

accordance with their own conscience. The primary data for the study consisted of information obtained from these surveys. Employees of both public and commercial banks in the Kathmandu Valley served as study subjects. The official websites of the chosen banks and information obtained from their staff members indicate that these banks have been operating in Nepal from mid-July 2022. HBL, EBL, and NBL were chosen as the study's sample.

The Statistical Package for Social Sciences was used to evaluate the questionnaires that were collected (SPSS). Simplicity and ease of quick and easy management are two other significant advantages of SPSS. A five-point Likert scale was used to rate each of the questionnaire's items: Very Dissatisfied (VD), Dissatisfied (D), Neutral (N), Satisfied (S), and Very Satisfied (VS).

### **3.4 Method of Analysis**

The respondents were personally involved in the study at their place of employment. Individuals were given questionnaires to complete. The summary of descriptive statistics related to the primary data analysis, which is based on responses from a questionnaire survey, is used in this study. Regression analysis is one of the descriptive statistical methods available in Microsoft Excel and the Statistical Package for Social Science (SPSS) software.

#### **3.4.1 Data Analysis Tools**

Every research project starts with data analysis and presentation. To obtain accurate findings from this study, a variety of descriptive and analytical approaches were used to assess the data. To accomplish the study's goal, a number of statistical and mathematical techniques have been applied. The following is a quick presentation of the statistical instruments used in this study:

#### **Descriptive Statistics**

Brief informational coefficients known as descriptive statistics are used to provide an overview of a specific data collection, which may be a sample or a representative of the full population measurements of central tendency and measurements of variability (spread) are the two categories into which descriptive statistics fall. The standard

deviation, variance, minimum and maximum variable, kurtosis, and skewness are measurements of variability, whereas the mean, median, and mode are measures of central tendency.

### **Mean**

The arithmetic mean is the most often used and well-liked metric for summarizing all of the data in one variable. It is computed by dividing the total number of things by the sum of all the items. The average value during the study period is represented by the means of the various variables.

### **Standard Deviation**

The degree to which individual objects vary from a core value is known as dispersion. The absolute dispersion is measured by the standard deviation. The standard deviation increases with the degree of dispersion. A high level of observational regularity and series homogeneity is indicated by minimal standard deviations, and vice versa.

### **Correlation Analysis**

One statistical method for describing how closely one variable is related to another is correlation analysis. The current investigation has employed simple correlation. The correlation coefficient between the ensuing financial variables has been computed, analyzed, and displayed in a matrix format. The following formula can be used to calculate the correlation coefficient between two variables, X and Y.

### **Coefficient of Determination ( $r^2$ )**

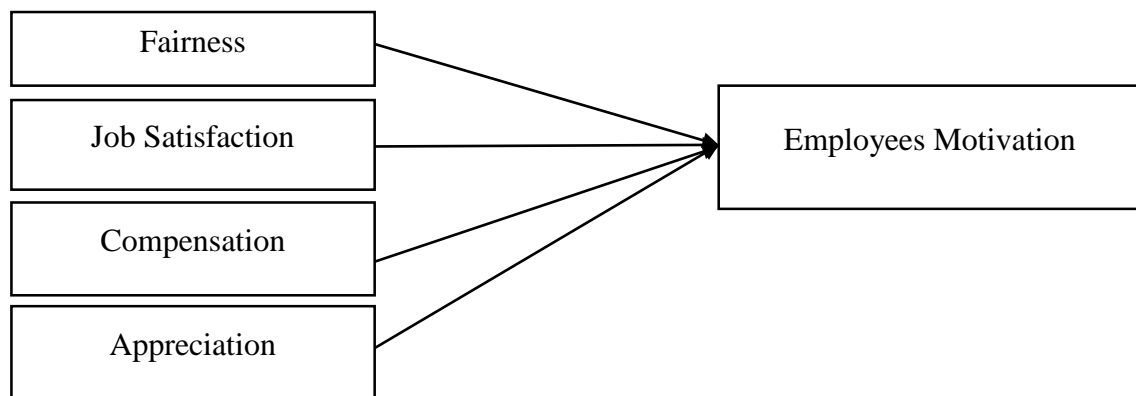
A measure of the degree of linear relationship or correlation between two variables—one of which is dependent and the other independent—is called the coefficient of determination. Stated differently,  $r$  is the overall percentage variance in the dependent variables. There are values for the coefficient of determination that range from zero to one. Only when the unexpected variation is zero, or when every data point in the scatterplot falls precisely on the regression line, can a value of one occur.

### **Regression Analysis**

Regression analysis indicates movement direction but not relative movement in the variables under investigation. We can determine the relative movement in the variables

with the use of regression analysis. Analysis of regression for the given variable.-have been computed and analyzed. Multiple regression analysis can be used to quantify and estimate the components econometrically that affect PS estimates. A statistical technique that makes it easier to estimate or forecast the value of the dependent variable from the value of the independent variable is multiple regression analysis. In this study, motivation is regarded as the dependent variable, and fairness, satisfaction, compensation, and appreciation are the independent variables. Multiple coefficient of determination, standard error of estimate, and least squares approaches are typically computed for this purpose in multiple regression analysis.

### 3.5 Research Framework and definition of variable



*Figure 1* Research Framework

*Source:* (Didhir, 2022)

#### **Definition of Variables**

##### **Employees Motivation**

Employee motivation directly correlates with an organization's success, making them a valuable asset. As a result, employee motivation is elusive, hard to quantify, and challenging to manage, but it is also incredibly simple to foster when done properly. It all comes down to intent, fervor, and persistence. The daily passion, energy, dedication, and innovation that an employee contributes to the company is what drives them to be an employee.

**Fairness**

The quality of treating individuals justly, equally, or sensibly: He genuinely thought that justice was right and hated injustice. In accordance with Adams' equity theory of motivation, individuals cannot be motivated unless they feel that the money they receive for their contributions is fair and on par with that of their peers.

**Job Satisfaction**

Job satisfaction refers to the degree of pleasure or happiness that an individual feels in their job. This can be influenced by a variety of factors, such as the nature of the work itself, the work environment, the company's culture, and the employee's relationships with their co-workers.

**Compensation**

Wages, bonuses, salaries, and commission plans are all considered forms of compensation. The majority of excellent workers are aware of their value and will not accept less, particularly when rivals are prepared to take advantage of their potential. Generally speaking, compensation is a financial payment made to a person in return for their work. What employees earn at work is their remuneration. In addition to commission and any other benefits or incentives associated with the employee's role, it covers pay or wages.

**Appreciation**

The act of acknowledging and appreciating an employee's contributions to the workplace, whether through official or informal means, is known as employee appreciation. Employees are prone to lose interest in their work and get demotivated in the absence of recognition. Because of this, yearly employee recognition is essential. Saying "thank you" for a job well done, for finishing a project promptly, or for arriving early and prepared for a meeting can all be considered little acts of appreciation in the workplace.

## CHAPTER - IV

### RESULT AND DISCUSSION

The outcomes of the data analysis are covered in this chapter. The data is analyzed using the descriptive statistics method in order to test the study's premise and find answers to the research questions.

#### 4.1 Results

In this study, the majority of respondents (i.e., 264) were female, making up 66% of all respondents. (Table. 2).

##### 4.1.1 Demographic Characteristics

Table 2

*Demographics Characteristics of Respondents*

Respondent Character	No. of Responses	Percentage
Gender		
Male	136	34
Female	264	66
Total	400	100
Age		
Under 25	8	2
26-35	336	84
36-45	40	10
46-55	12	3
Over 55	4	1
Total	400	100
Present Position		
Manager	12	3
Officer	64	16
Junior Assistant	280	70
Senior Assistant	40	10
Other	4	1
Total	400	100
Qualification		
+2	12	3
Bachelors	96	24
Masters	292	72
Total	400	100

*Source:* Self- Survey, 2023

Majority of the respondents were female (i.e. 264) in this study which comprises of 66 % of the total respondents where, only 34% of total respondent were male with 136 number of respondents. All respondents are categorized in 5 age groups in which majority of

respondents were between the age group of 25-35 (i.e. 336). It comprised of 84 % of total respondents. The respondents below 25 years and over 46 only covered 6 %.

73 % of the respondents were seen to have higher educational degree (i.e. 292). And, 96 respondents had Bachelor's degree which is 24 % of the total respondents. Only 3 % were found to have educational qualification of +2 levels. Among the 5 job position, junior assistant was the most frequent position (i.e. 280) which comprised 70 % of the total responses. Likewise, officer and senior assistant were 16 % and 10 % respectively.

Table 3

*Frequency table for work experience*

Work experience	Frequency	Percent
Less than 5 years	188	47.0
5-15 years	204	51.0
More than 15 years	8	2.0
Total	400	100.0

*Source:* Self- Survey, 2023

Work experience was categorized into 3 categories. Among which most of the respondents had work experience of 5-15 years (51 %). Only 2 % of respondents had experience of more than 15 years.

Table 4

*Frequency table for monthly income*

Monthly income	Frequency	Percent
Up to 25,000	12	3.0
25,001-50,000	284	71.0
50,001-75,000	104	26.0
Total	400	100.0

*Source:* Self- Survey, 2023

71 % of the respondents had monthly income of 25,001-50,000 and only 3 % had the salary below 25,000.

#### 4.1.2 Descriptive Analysis

The use of costing, budgeting, regulating, performance evaluation, and decision-making management accounting methods in the responding institutions was rated. The scale for rating was 1 to 5. Each question on the five-point Likert scale has a code that indicates its response: 1 indicates "strongly disagree," 2 indicates "disagree," 3 indicates "neutral," 4 indicates "agree," and 5 indicates "strongly agree."

Table 5

*Descriptive Statistics of Fairness*

Particular	N	Min	Max	Mean	SD
Current performance appraisal is characterized by justice and can assess the employee to identify the strengths and weakness s/he has.	400	1.00	5.00	3.153	1.363
The current performance appraisal model measures the actual employees' capabilities.	400	1.00	5.00	3.347	1.323
Employees and their direct boss are informed about performance standards focusing on the appraisal outcomes and its objectives.	400	1.00	5.00	3.281	1.336
Various models are used to collect private information on employee performance appraisal.	400	1.00	5.00	3.152	1.279
Each level of administrative has specific and well known performance criteria for effective performance measurement.	400	1.00	5.00	3.355	1.326
Overall Mean and SD				3.257	1.325

*Source:* SPSS Output

Table 5 shows descriptive statistics of an individual item and as a whole of fairness sub-factor. There are five statements are used to measure the variables. Each of respondents submitted their responses in the five point Likert scale. The overall mean of fairness is 3.257, which is greater than 3, with standard deviation of 1.325. This shows that performance appraisal could be achieve through effective fairness.

Table 6

*Descriptive Statistics of Job Satisfaction*

Particulars	N	Min.	Max.	Mean	SD
I feel satisfied about the current performance appraisal model and manager's opinion about me in it.	400	1.00	5.00	3.090	1.351
I feel the performance appraisal model achieves its purpose.	400	1.00	5.00	3.322	1.326
Performance evaluation helps me to achieve my goals and improve my performance.	400	1.00	5.00	3.282	1.355
Satisfactory performance appraisal affects my performance in a positive way and makes me an active participant in the organization.	400	1.00	5.00	3.157	1.287
The Bank often compensates according to the requirements and conditions of work.	400	1.00	5.00	3.285	1.367
Overall Mean and SD				3.227	1.337

*Source:* SPSS Output

Table 6 shows descriptive statistics of an individual items and as a whole of satisfaction sub-factor. There are five statements are used to measure the variables. Each of respondents submitted their responses in the five point Likert scale. The overall mean of job Satisfaction is 3.227, which is greater than 3, with standard deviation 1.337. This shows that employees performance appraisal could be achieve through effective job satisfaction.

Table 7

*Descriptive Statistics of Appreciation*

Particulars	N	Min	Max	Mean	SD
The rate of increase that occur on my salary tied to the results of the appraisal.	400	1.00	5.00	3.22	1.327
I get praise and appreciation by my direct supervisor when I got my high evaluation result.	400	1.00	5.00	3.60	1.341
Evaluation process provides objective grounds to upgrade Employee.	400	1.00	5.00	3.47	1.416
Incentives offered by the bank help to improve the performance of staff.	400	1.00	5.00	3.17	1.223
Appreciation and mutual respect create bonding between superiors and subordinates at work.	400	1.00	5.00	3.17	1.541
Overall Mean and SD				3.326	1.369

*Source:* SPSS Output

Table 7 shows descriptive statistics of individual items and as a whole of appreciation. There are five statements are used to measure the variables. Each of respondents submitted their responses in the five point Likert scale. The overall mean of appreciation

is 3.326, which is greater than 3, with standard deviation 1.369. This shows that organizational employees performance could be achieve through appreciation technique.

Table 8

*Descriptive Statistics of Compensation*

Particulars	N	Min	Max	Mean	SD
Employees feel the importance of incentives and rewards provided by the bank as a result of performance appraisal.	400	1.00	5.00	3.18	1.349
From my point of view salaries system and additional benefits are fair and it is pushing me to improve my performance appraisal	400	1.00	5.00	3.35	1.321
I see the 'end of service benefits' in the incentives law is appropriate for all job categories securing their future thus motivating their performance.	400	1.00	5.00	3.28	1.352
Motivation to work depends on comparison of justified compensation between you and others.	400	1.00	5.00	3.17	1.286
Indirect compensation (health insurance, end of service benefits, etc.) increases the efficiency and improves their performance.	400	1.00	5.00	3.32	1.359
Overall Mean and SD				3.26	1.334

*Source:* SPSS Output

Table 8 shows descriptive statistics of particular items of compensation. There are five statements are used to measure the variables. Each of respondents submitted their responses in the five point Likert scale. The overall mean of compensation is 3.26, which is greater than 3, with standard deviation 1.334. This shows that organizational performance employees appraisal could be achieve through effective compensation.

Table 9

*Descriptive Statistics of Employee Motivation*

Particular	N	Min	Max	Mean	SD
I think that the result of performance appraisal is a standard for granting incentives.	400	1.00	5.00	3.24	1.323
I find that the positive performance appraisal motivates and it is also pushing me to work efficiently.	400	1.00	5.00	3.61	1.336
Senior management at the bank link between incentives and results of performance for the employees.	400	1.00	5.00	3.49	1.407
I feel satisfied about bonuses and increments that are added to the salary per year based on the results of performance appraisal.	400	1.00	5.00	3.17	1.215
My job helps me to gain new skills and capabilities and offers me the potential for creativity and excellence in the work.	400	1.00	5.00	3.17	1.544
Overall Mean and SD				3.36	1.365

*Source:* SPSS Output

Table 9 shows descriptive statistics of employee motivation, factor of employee's appraisal. There are five statements are used to measure the variables. Each of respondents submitted their responses in the five point Likert scale. The overall mean of motivation factor is 3.36, which is greater than 3, with standard deviation 1.365. This shows good organizational performance in context of employee's motivation.

Table 10

*Descriptive Statistics of Performance Appraisal*

Particular	N	Min	Max	Mean	SD
Employee Motivation	400	1.00	5.00	3.257	1.365
Fairness	400	1.00	5.00	3.227	1.325
Satisfaction	400	1.00	5.00	3.326	1.337
Appreciation	400	1.00	5.00	3.260	1.369
Compensation	400	1.00	5.00	3.360	1.334

*Source:* SPSS Output

Table 10 shows descriptive statistics of employee motivation, factor of employee's appraisal. There are five factor of performance appraisal that are used to measure the variables. Each of factor submitted their overall result in the five point Likert scale. This shows good organizational performance in context of employee's motivation.

#### **4.1.3 Relationship between effectiveness of PA and EM**

To ascertain respondents' opinions regarding the efficacy of performance appraisals and their influence on employee motivation, a single sample t-test was employed.

Fairness, work happiness, appreciation, and compensation were all regarded as the four main aspects influencing the efficacy of performance appraisals in this study.

Table 11

*Correlation between effectiveness of PA and EM*

Variables	Fairness	Satisfaction	Appreciation	Compensation	Motivation
Fairness	1				
P-Value					
Satisfaction	.494**	1			
P-Value	0.00				
Appreciation	.273**	.525**	1		
P-Value	0.00	0.00			
Compensation	.248**	.520**	.627**	1	
P-Value	0.00	0.00	0.00		
Motivation	.380**	.650**	.570**	.667**	1
P-Value	0.00	0.00	0.00	0.00	

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Source: SPSS Output

The effective PA is significantly correlated with the employee motivation in commercial banks. PA have shown the significant correlation with the satisfaction and appreciation. The relationship between the employee motivation and appreciation ( $r = 0.570$ ,  $p\text{-value} = 0.000$ ) was found to be strongly positively correlated followed by that with satisfaction, appreciation and compensation of the appraisal ( $r = 0.650$ ,  $0.570$  and  $0.667$ ,  $p\text{-value} = 0.000$ ) respectively.

#### 4.1.4 Effect of PA on EM

Table 12

*Model Summary of Motivation*

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.765a	.585	.581	.42371

a. Predictors: (Constant), Compensation, Appreciation, Fairness, Satisfaction

b. Dependent Variable: Motivation

The multiple correlation coefficient ( $R = 0.765$ ;  $R\text{-square} = 0.585$ ) shows that 58.50% of the variation in employee motivation is explained by three PA variables viz. Fairness, Appreciation, satisfaction and Compensation.

Table 13

*ANOVA Table*

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	99.843	4	24.961	139.035	.000b
	Residual	70.914	395	.180		
	Total	170.758	399			

a. Dependent Variable: Motivation

b. Predictors: (Constant), Compensation, Appreciation, Fairness, Satisfaction

Table 13 indicates tested model is suitable for further analysis ( $F = 139.035$ ;  $p$ -value  $< 0.05$ ). In addition R-square depicts 58.50 percent in investment decision explained by variation in independent variables (Fairness, Satisfaction, Appreciation and Compensation).

Table 14

*Regression Coefficients*

Model		Unstandardized Coefficients		Standardized Coefficients		Sig.
		B	Std. Error	Beta	t	
1	(Constant)	.082	.109		.754	.451
	Fairness	.095	.044	.080	2.154	.032
	Satisfaction	.375	.048	.342	7.811	.000
	Appreciation	.110	.039	.122	2.791	.006
	Compensation	.376	.042	.393	9.028	.000

a. Dependent Variable: Motivation

\*. The variable is statistically significantly at 0.05 level

Source: SPSS Output

H1: There is a positive significant impact of fairness on employee motivation.

Accepted ( $p < 0.05$ ,  $\beta = 2.154$ )

H2: There is a positive significant impact of job satisfaction on employee motivation.

Accepted ( $p < 0.05$ ,  $\beta = 7.811$ )

H3: There is a positive significant impact of appreciation on employee motivation.

Accepted ( $p < 0.05$ ,  $\beta = 2.791$ )

H4: There is a positive relationship between compensation and employee motivation.

Accepted ( $p < 0.05$ ,  $\beta = 9.028$ )

The ANOVA for regression model shows that ( $F = 139.035$ ;  $p$ -value = 0.000) the relationship between the employee motivation and PA variables are statistically significant.

Similarly, table 14 reveals that fairness has positive and significant effect on employees motivation ( $\beta = 0.080$ ,  $P < 0.05$ ). It means, if fairness increased by 1 unit, then employee motivation leads to increase by 0.095 units. Likewise, satisfaction, appreciation and compensation has also positive and significant effect on employees motivation which indicates that if satisfaction, appreciation and compensation increase by 1 unit then employees motivation leads to increase by 0.375, 0.110 and 0.376 respectively.

## 4.2 Discussion

One of the most effective instruments for resolving issues and starting disciplinary actions inside a company is performance appraisal. A number of human psychological aspects are important for an efficient assessment among the numerous components of PA measurement (Denisi and Murphy, 2017; Lee and Raschke, 2021). All of the assertions in this study that were divided into categories such as "fairness," "job satisfaction," "appreciation," "compensation," and "employee motivation" were accepted by the respondents. Put another way, they think that fairness in the assessment of their abilities and efforts, along with tying rewards or direct and indirect compensations, motivates people to increase their productivity at work. In a similar vein, Ahmed (2021) reported that almost 80% of the workforce thought the PA had at least a moderate impact on identifying potential candidates. This is because activity programming and personal reinforcement are significantly impacted by assessment (Kalogiannidis, 2022).

Furthermore, there is statistically no correlation between the PA variables—particularly "Compensation" and "Fairness"—and the EM. Similar to this, several research (Anna, 2021; Kellie, 2018) demonstrated that employee motivation is strongly connected with PA techniques and is influenced by successful PA. The strongest motivator for employees is the relationship between performance and equity in incentives and raises (Weeraratne, 2018). In essence, the EM is related to the PA's fairness as well as the value and pay of labor. In this study, job satisfaction was not found to be a significant driver of the EM. Similarly, (Fakai, 2022) shown that there was little correlation between work satisfaction and PA since employee motivation is largely determined by positive emotionality. (Lee and Raschke, 2021).

When divided into distinct categories, the respondents' opinions about the efficacy of PA differed noticeably. For example, compared to those with lower job positions, lower monthly incomes, lesser degrees, and less work experience, those with higher job positions, higher monthly incomes, and more work experience likely to view PA as a helpful tool in incentive. Additionally, it was discovered that men and women in PA had considerably different perspectives about the process of appreciation and compensation. This is in line with the findings of Achim and Balan (2021) as well as Kharabsheh et al. (2023), while Bae (2023) refutes these findings. On the other hand, all age groups view the PA similarly generally, with the exception of fairness. Previous research has demonstrated that variations in respondents' perceptions are dependent on their demographics (Fakai, 2022; Kellie, 2018); and their experiences (Weeraratne, 2018).

## **CHAPTER- V**

### **SUMMARY AND CONCLUSION**

#### **5.1 Summary**

The key component of effective employee performance is employee motivation. The purpose of this study was to evaluate the impact and correlation between EM and PA variables in Nepali commercial banks. It is observed that there is a positive correlation between EM and the PA variables, especially justice and compensation. Additionally, workers with greater incomes, employment positions, degrees, and experience thought the PA was more successful.

An essential instrument for assessing the state of employee performance and the company is the effective PA. This study aims to investigate the impact of performance reviews on worker motivation. The findings demonstrated a substantial relationship between the PA and the EM and the importance of PA characteristics including fairness, appreciation, and compensation in inspiring workers to do better job. Nonetheless, disparities in perceptions of PA are observed amongst age groups, genders, occupations, levels of education, monthly income, and years of experience.

This study's main goal is to find out how effective performance reviews affect workers' motivation. Banks, in general, are known to gain from performance reviews and value ongoing monitoring of newly acquired knowledge and skills by giving staff members the resources and encouragement they need to put their newfound knowledge to use. An assessment system's primary goal is to raise employee performance, which will contribute to the success of the company.

The present model of performance appraisal examines an employee's actual capabilities, and it assists an employee in identifying areas of strength to build upon and areas of weakness to avoid. The goals and results of the appraisal are the main emphasis of appraisal standards. Within firms, perceptions of fairness are crucial because they can prevent unfavorable consequences like employee turnover and increase favorable outcomes like job satisfaction. This comment on the evaluation system's results may be favorable or negative.

Job satisfaction is the second factor influencing an effective performance appraisal. Employees are dissatisfied with the staff's effectiveness in the performance appraisal process because they are unaware of how training can improve the results of performance reviews, particularly when employees have the chance to put their newly acquired skills to use. Workers are dissatisfied with their positions in light of the performance appraisal results since they did not receive a promotion, an acknowledgement of their performance, or any other changes.

Thirdly, another element that influences performance evaluation is promotion and appreciation. Workers' lack of recognition for their efforts may have an impact on their willingness to contribute and enhance performance. Managers and supervisors have also failed to utilize incentives as a means of rewarding employees who exhibit exceptional performance. No employee's advancement to a more senior position is contingent upon their performance. The personnel guideline is vague on what kind of incentives or prizes are available to staff members who perform very well. Salary increases that are correlated with assessment results or other financial benefits that negatively impact performance demonstrate the significance of incentives and rewards for worker productivity and motivation.

## **5.2 Conclusions**

An essential tool for identifying issues inside a company and assessing employees' standards and potential is the performance appraisal process. Among many factors, the four main variables—fairness, satisfaction, appreciation, and compensation—are mostly used to evaluate the efficacy of PA in determining how it affects employee motivation. Employee perception affects the efficacy of the strategies used in EM.

The study's primary goal is to present the current state of the Nepalese commercial bank's employee performance and motivation. And the primary factors influencing these workers' attitudes include their gender, age group, qualifications, job title, pay, and length of service.

The second goal looks at the connection between employee motivation and performance reviews. In commercial banks, there is a considerable correlation between the effective

PA and employee motivation. PA has demonstrated a strong relationship with appreciation and satisfaction. It was shown that there was a considerable positive correlation between employee motivation and appreciation as well as between satisfaction, appreciation, and appraisal compensation.

Fairness has a good and considerable impact on employees' motivation, according to the study's final assessment of how employee performance appraisals affect motivation as a third aim. This indicates that if fairness rises by one unit, employee motivation will rise by the corresponding number of units. Employee motivation is positively and significantly impacted by satisfaction, appreciation, and compensation. This means that for every unit rise in satisfaction, appreciation, or salary, employees' motivation will likewise grow by the same amount.

### **5.3 Implications**

The results described above demonstrate how the PA contributes to bridging the knowledge gap in PA fields between practice and research. Furthermore, PA techniques with strong mechanisms support workers in increasing their effectiveness at work.

Certain mechanisms should be implemented for the organization's ongoing development and the effectiveness of PA methods. These include training raters and rates to reduce bias, taking into account the output of appraisals to improve transparency of PA methods, recognizing employees and providing feedback to encourage them to reach their goals. Moreover, more varied and larger raises and bonuses could encourage staff members. Furthermore, if feasible, PA techniques should be updated with more dependable and quantifiable procedures.

## REFERENCES

- Abadi, F. E., Jalilvand, M. R., Sharif, M., Salimi, G. A., & Khanzadeh, S. A. (2011). A Study of Influential Factors on Employees' Motivation for Participating in the In-Service Training Courses Based on Modified Expectancy Theory. *International Business and Management*, 2 (1), 157-169.
- Achim, I. M., Dragolea, L., & Balan, G. (2021). The importance of employee motivation to increase organizational performance. *Annales universitatis apulensis: Series economics*, 15(2), 685.
- Adams, J. S. (1965). Inequity in social exchange. 2, 267-299. doi: 10.1016/s0065-2601(08)60108-2
- Aggarwal, A., & Thakur, G. S. M. (2013). Techniques of performance appraisal-a review. *International Journal of Engineering and Advanced Technology*, 2(3), 617-621.
- Ahamed S. (2021). A Study on Employee Motivation and Its Influence on the Performance of the Organization. *The Journal of Indian Management*, 6(3), 37-43.
- Akinbowale, M. A., Lourens, M. E., & Jinabhai, D. C. (2013). Role of performance appraisal policy and its effects on employee performance. *European Journal of Business and Social Sciences*, 2(7), 19-26.
- Ali, B. J., & Anwar, G. (2021). An Empirical Study of Employees' Motivation and its Influence Job Satisfaction. *International Journal of Engineering, Business and Management*, 5(2), 21-30.
- Ali, R., & Ahmad, M. S., (2009). The Impact of Reward and Recognition Programs on Employee's Motivation and Satisfaction: An Empirical Study. *International Review of Business Research Papers*, 5 (4), 270-279.
- Al-kharabsheh, S., Attiany, M., Alshawabkeh, R., Hamadneh, S., & Alshurideh, M. (2023). The impact of digital HRM on employee performance through employee motivation. *International Journal of Data and Network Science*, 7(1), 275-282.
- Androniceanu, A. (2009). New public management model based on an integrated system using the informational and communication technologies. *Administration and Public Management*, 13, 83-88.
- Anna, A. (2021) Innovative, Intangible Ways of Motivating Employees in Modern Enterprises In The Time of The Covid-19 Pandemic.

- Annamalai, T., Abdullah, A. G. K., & Alasidiyeen, N. J., (2010). The Mediating Effects of Perceived Organizational Support on the Relationships between Organizational Justice, Trust and Performance Appraisal in Malaysian Secondary Schools. *European Journal of Social Sciences*, 13 (4), 623-632.
- Armstrong, M. (2006). *A handbook of human resource management practice*. UK: Kogan Page Publishers.
- Artley, W. (2001). Establishing accountability for performance. *The Performance Based-Management Handbook*, 3.
- Aydin, B., & Ceylan, A., (2009). Does Organizational learning capacity impact on organizational effectiveness? Research analysis of the metal industry. *Development and Learning in Organizations*, 23 (3), 21-23.
- Baldoni, J., (2005). Motivation Secrets. Great Motivation Secrets of Great Leaders [WWW page]. URL [http://govleaders.org/motivation\\_secrets.htm](http://govleaders.org/motivation_secrets.htm)
- Barron, P. M. (1983). *Exchange and power in social life*. NY: John Wiley & Sons.
- Bartol, K. M. & Martin, D. C. (1998). Performance appraisal: Maintaining system effectiveness. *Public Personnel Management*, 27(2), 223-230.
- Blau, P. M. (1964). *Exchange and power in social life*. NY: John Wiley & Sons.
- Boswell, W. R., & Boudreau, J. W. (2002). Separating the developmental and evaluative performance appraisal uses. *Journal of business and Psychology*, 16(3), 391-412.
- Brown, M., Hyatt, D., & Benson, J. (2010). Consequences of the performance appraisal experience. *Personnel Review*, 39(3), 375-396. doi: 10.1108/00483481011030557
- Butkus, A. and Green, S. B. (1999). How many subjects does it take to do a regression analysis? *Multivariate behavioral research*, 26(3), 499-510.
- Chowdhury, M. S., (2007). Enhancing Motivation and Work Performance of the Salespeople: The Impact of Supervisors' Behavior. *African Journal of Business Management*, 1 (9), 238-243.
- Cleveland, J. N., Murphy, K. R., & Williams, R. E. (1989). Multiple uses of performance appraisal: Prevalence and correlates. *Journal of Applied Psychology*, 74(1), 130.
- Connolly, T. (198). Reliability of commercial appraisals. *The Appraisal Journal*.
- Connolly, T., Conlon, E. J., & Deutsch, S. J., (1980). Organizational effectiveness: a multiple constituency approach. *Academy of Management Review*, 5, 211-17.
- Constant, D., & Offodile, O. F., (2001). Managing for organizational effectiveness in sub-Saharan Africa: a culture-fit model. *The International Journal of Human Resource Management*, 12 (4), 535-550.

- Danish, R. Q., & Usman, A., (2010). Impact of Reward and Recognition on job Satisfaction and Motivation: An Empirical Study from Pakistan. *International Journal of Business and Management*, 5 (2), 159-167.
- DeNisi, A. S., & Murphy, K. R. (2017). Performance appraisal and performance management: 100 years of progress?. *Journal of applied psychology*, 102(3), 421.
- Dessler, G. (2005). *Human resource management* (10 ed.). USA: Prentice Hall Inc.
- Eyoun, K., Chen, H., Ayoun, B., & Khelifat, A. (2020). The relationship between purpose of performance appraisal and psychological contract: Generational differences as a moderator. *International Journal of Hospitality Management*, 86, 102449. doi: 10.1016/j.ijhm.2020.102449
- Fakai, A. A. (2022). Performance Appraisal on Employees' Motivation in Commercial Banks of Sokoto State, Nigeria. *Journal of Sociological Research*, 6(2), 1-13.
- Fard, H. D., Ghatari, A. R., & Hasiri, A., (2010). Employees Morale in Public Sector: Is Organizational Trust an Important Factor? *European Journal of Scientific research*, 46 (3), 378-390.
- Fletcher, C. (2001). Performance appraisal and management: The developing research agenda. *Journal of Occupational and Organizational Psychology*, 74, 473-487.
- Green, S. B. (1991). How many subjects does it take to do a regression analysis? *Multivariate behavioral research*, 26(3), 499-510.
- Honold, L., (1997). A Review of the Literature on Employee Empowerment. *Empowerment in Organizations*, 5 (4), 202-212.
- Houran, J., & Kefgen, K., Money and Employee Motivation [WWW page]. URL [www.2020skills.com](http://www.2020skills.com)
- Idowu, A. (2017). Effectiveness of performance appraisal system and its effect on employee motivation. *Nile Journal of Business and Economics*, 3(5), 15. doi: 10.20321/nilejbe.v3i5.88
- Idowu, A. (2017). Effectiveness of performance appraisal system and its effect on employee motivation. *Nile Journal of Business and Economics*, 3(5), 15. doi: 10.20321/nilejbe.v3i5.88
- Ikramullah, M., Prooijen, J. W. V., Zahid, M., Faqir, I., & Ul-Hassan, S. (2016). Effectiveness of performance appraisal: Developing a conceptual framework using competing values approach. *Personnel Review*, 45(2), 1-29

- Ismail, H. N., & Rishani, M. (2018). The relationships among performance appraisal satisfaction, career development and creative behavior. *The Journal of Developing Areas*, 52(3), 109-124. doi: 10.1353/jda.2018.0040
- Jebreel, S. A. (2015). *Perception of employees about performance appraisal effectiveness and its impact on their motivation in higher education institutions*. (Masters Thesis), The Islamic University, Gaza.
- Jun, M., Cai, S., & Shin, H. (2006). TQM practice in maquiladora: antecedents of employee satisfaction and loyalty. *Journal of Operations Management*, 24, 791-812.
- Kalimullah, K. E., Kiptum, K. G., & Chege, K. (2016). Effects of performance management process on employee productivity: A survey of commercial banks in Turkana County.
- Kalogiannidis (2022) Impact of employee motivation on organizational performance. A scoping review paper for public sector. *Strategic Journals*, 8(3), 984-996.
- Kamalian, A. R., Yaghoubi, N. M., & Moloudi, J., (2010). Survey of Relationship between Organizational Justice and Empowerment (A Case Study). *European Journal of Economics, Finance and Administrative Sciences*, 24, 165-171.
- Keeping, L. M., & Levy, P. E. (2000). Performance appraisal reactions: Measurement, modeling, and method bias. *Journal of Applied Psychology*, 85(5), 708.
- Keeping, L. M., & Levy, P. E. (2000). Performance appraisal reactions: Measurement, modeling, and method bias. *Journal of Applied Psychology*, 85(5), 708.
- Kelli, B. (2018). A study of motivation: How to get your employees moving. *SPEA Honors Thesis Spring 2012*.
- Khalid, S., & Irshad, M. Z., (2010). Job Satisfaction among Bank Employees in Punjab, Pakistan: A Comparative Study. *Journals of Social Sciences*, 17 (4), 570-577.
- Khan, K. U., Farooq, S. U., & Ullah, M. I., (2010). The Relationship between Rewards and Employee Motivation in Commercial Banks of Pakistan. *Research Journal of International Studies*, 14, 37-52.
- Khan, K. U., Farooq, S. U., & Ullah, M. I., (2010). The Relationship between Rewards and Employee Motivation in Commercial Banks of Pakistan. *Research Journal of International Studies*, 14, 37-52.
- Kondrasuk, J. N. (2011). So what would an ideal performance appraisal look like? *Journal of Applied Business and Economics*, 12(1), 57-71.
- Kreitner, R. (1995). *Management* (6 ed.). Boston: Houghton Mifflin Company.

- Lee, M. T., & Raschke, R. L. (2021). Understanding employee motivation and organizational performance: Arguments for a set-theoretic approach. *Journal of Innovation & Knowledge*, 1(3), 162-169.
- Linder, J. R. (1998). Understanding employee motivation. *Journal of Extension*, 36(3).
- Majid, J. (2016). Effectiveness of performance appraisal methods—an empirical study of the telecommunication sector. *International Journal of Trend in Research and Development*, 3(3), 10-17.
- Malik, M. E., Ghafoor, M. M., & Naseer, S., (2011). Organizational Effectiveness: A Case Study of Telecommunication and Banking Sector of Pakistan. *Far East Journal of Psychology and Business*, 2(1), 37-48.
- Mani, V., (2010). Development of Employee Satisfaction Index Scorecard. *European Journal of Social Sciences*, 15(1), 129-139.
- Maslow, A. H. (1943). A theory of human motivation. *Psychological Review*, 50(4), 370-396.
- Matthew, J., Grawhich, & Barber, L. K., (2009). Are you Focusing both Employees and Organizational Outcomes. *Organizational Health Initiative at Saint Louis University (ohi.slu@edu)*, 1-5.
- Matthew, L., Hamidi, Y., Ghiasi, M., Shahhoseini, R., & Emami, H. (2005). Performance evaluation and its effects on employees' job motivation in hamedan city health centers. *Australian Journal of Basic and Applied Sciences*, 5(12), 1761-1765.
- Najafi, L., Hamidi, Y., Ghiasi, M., Shahhoseini, R., & Emami, H. (2011). Performance evaluation and its effects on employees' job motivation in hamedan city health centers. *Australian Journal of Basic and Applied Sciences*, 5(12), 1761-1765.
- Narban, J. S., Narban, A. K. S., & Narban, B. P. S. (2016). Performance appraisal practices in hospitality industry in new- delhi: An exploratory study. *International Journal of Advance Research and Innovative Ideas in Education*, 2(2), 289-300. *Excellence*, 13(4), 69-77. doi: 10.1108/13683040911006800
- Ochola (2022) Employee motivation, an organizational performance improvement strategy (A review on influence of employee motivation on organizational performance). *Juniper Publishers Inc*. 1(5), 120-125.
- Porter, P., & Miles, J. (1974). The dilemma of performance appraisal. *Measuring BusinessExcellence*, 13(4), 69-77. doi: 10.1108/13683040911006800

- Rizwan, M., Idrus, M. S., Djumahir, & Mintarti, R. (2010). Effect of compensation on motivation, organizational. *International Journal of Business and Management Invention*, 64-79.
- Rowland, C. A., & Hall, R. D. (2012). Organizational justice and performance: Is appraisal fair? *EuroMed Journal of Business*, 7(3), 280-293. doi: 10.1108/14502191211265334
- Rubin, E. V., & Edwards, A. (2018). The performance of performance appraisal systems: Understanding the linkage between appraisal structure and appraisal discrimination complaints. *The International Journal of Human Resource Management*, 31(15),1938-1957. doi: 10.1080/09585192.2018.1424015
- Rukhmani, K., Ramesh, M., & Jayakrishnan, J., (2010). Effect of Leadership Styles on Organizational Effectiveness. *European Journal of Social Sciences*, 15 (3), 365-369.
- Rusu, G., Avasilcăi, S., & Huțu, C.-A. (2016). Organizational context factors influencing employee performance appraisal: A research framework. *Procedia - Social and Behavioral Sciences*, 221, 57-65. doi: 10.1016/j.sbspro.2016.05.090
- Rynes, S. L., Gerhart, B., & Minette, K. A., (2004). The Importance of Pay in employee Motivation: Discrepancies between What People say and what they do. *Human Resource Management*, 43 (4), 381-394.
- Selvarajan, T. T., Singh, B., & Solansky, S. (2018). Performance appraisal fairness, leader member exchange and motivation to improve performance: A study of us and mexican employees. *Journal of Business Research*, 85, 142-154. doi: 10.1016/j.jbusres.2017.11.043
- Shahzadi, I., Javed, A., Pirzada, S. S., Nasreen, S., & Khanam, F. (2014). Impact of employee motivation on employee performance. *European Journal of Business and Management*, 6(23), 159-166.
- Sims, R. R. (2008). *Organizational success through effective human resource management*. London: Quorum Books.
- Singh, P., & Rana, S. (2015). *The impact of performance appraisal on organizational commitment of bank employees*, 20(30), 74.
- Smith, B., (1997). Empowerment - the challenge is now. *Empowerment in Organizations*, 5 (3), 120-122

- Tella, A., Ayeni, C. O., & Popoola, S. O., (2007). Work Motivation, Job Satisfaction and Organizational commitment of Library Personnel in Academic and Research Libraries in Oyo State, Nigeria. *Library Philosophy and Practice*, 1-16
- Thibodeaux, M. S., & Favilla, E., (1996). Organizational Effectiveness and Commitment through strategic Management. *Industrial Management and Data Systems*, 96 (5), 21-25.
- Thurston, J. P. W. (2001). *Clarifying the structure of justice using fairness perceptions of performance appraisal practices*. (PHD), State University of New York, USA.
- Turkyilmaz, A. Z., Akman, G., Ozkan, C., & Pastuszak, Z., (2011). Empirical study of Public sector Employee Loyalty and Satisfaction. *Industrial Management and Data Systems*, 111 (5), 675-696
- Vroom, V. (1964). Expectancy theories of Victor Vroom, and Lyman Porter and Edward Lawler. *Organizational Behavior: Essential theories of motivation and leadership*, 1, 94.
- Weeraratne, A. R. (2018). Impact of employees' motivation on organizational effectiveness. *International Journal of Creative Research Thoughts*, 6(1), 797-800.
- Yazdani, B. O., Yaghoubi, N. M., & Giri, E. S., (2011). Factors affecting the Empowerment of Employees. *European Journal of Social Sciences*, 20 (2), 267-274.
- Yuchtman, E., & Seashore, S. E., (1987). A system resource approach to organizational effectiveness. *American Sociological Review*, 32, 891-903.
- Zammuto, R. F., (1982). *Assessing Organizational Effectiveness*, State University of New York Press, Albany, NY.

## Annex: Questionnaires

Dear respondent,

I am conducting this questionnaire survey for an academic research as required by the MBS program. The title of my research is " Effect of Performance Appraisal on Employees Motivation: Nepalese Commercial Banks" I would like to state that this research is purely for an academic purpose and I am simply interested in your candid and honest opinion. I assure you that strict confidentiality will be maintained and the information furnished by you will be used only for the academic purpose.

Thanking for your Cooperation

Ananda Thapa

MBS student

Shanker Dev Campus, Kathmandu

### Part I

---

Bank			
Department			
Gender	a) Male	b)Female	
Age	a)Under 25	b)25-35	c)36-45
	d)46-55	e)Above 55	
Qualification(Highest Degree)	a)+2	b) Bachelors	c) Masters
Present Position: (Please tick)	a)Manager	b)Officer	
	c)Sr. Assistant	d) Jr. Assistant	
	e)Other if any (please specify)		
Years of Experience	a) Less than 5	b) 5-15	c) More than 15
Year of joining the present organization(AD)			
Earning per month	a)up to 25000	b)25001-50000	
	c)50001-75000	d)above 75000	

---

**Part II**

Below are several statements about you with which you may agree or disagree. Using the response scale below, indicate your agreement or disagreement with each item by choosing the appropriate number. Please give your responses as followings:

Strongly Disagree	Disagree	Neutral	Agree	Strongly agree
1	2	3	4	5

F_1	Current performance appraisal is characterized by justice and can assess the employee to identify the strengths and weaknesses he has.	1	2	3	4	5
F_2	The current performance appraisal model measures the actual employees' capabilities.	1	2	3	4	5
F_3	Employees and their direct boss are informed about performance standards focusing on the appraisal outcomes and its objectives.	1	2	3	4	5
F_4	Various models are used to collect private information on employee performance appraisal.	1	2	3	4	5
F_5	Each level of administrative has specific and well known performance criteria for effective performance measurement.	1	2	3	4	5

JS_6	I feel satisfied about the current performance appraisal model and manager's opinion about me in it.	1	2	3	4	5
JS_7	I feel the performance appraisal model achieves its purpose.	1	2	3	4	5
JS_8	Performance evaluation helps me to achieve my goals and improve my performance.	1	2	3	4	5
JS_9	Satisfactory performance appraisal affects my performance in a positive way and makes me an active participant in the organization	1	2	3	4	5
JS_10	The Bank often compensates according to the requirements and conditions of work.	1	2	3	4	5

---

AP_11	The rate of increase that occur on my salary tied to the results of the appraisal	1	2	3	4	5
AP_12	I get praise and appreciation by my direct supervisor when I got my high evaluation result.	1	2	3	4	5
AP_13	Evaluation process provides objective grounds to upgrade Employee	1	2	3	4	5
AP_14	Incentives offered by the bank help to improve the performance of staff	1	2	3	4	5
AP_15	Appreciation and mutual respect create bonding between superiors and subordinates at work.	1	2	3	4	5

---



---

C_16	Employees feel the importance of incentives and rewards provided by the bank as a result of performance appraisal.	1	2	3	4	5
C_17	From my point of view salaries system and additional benefits are fair and it is pushing me to improve my performance appraisal	1	2	3	4	5
C_18	I see the 'end of service benefits' in the incentives law is appropriate for all job categories securing their future thus motivating their performance.	1	2	3	4	5
C_19	Motivation to work depends on comparison of justified compensation between you and others.	1	2	3	4	5
C_20	Indirect compensation (health insurance, end of service benefits, etc.) increases the efficiency and improves their performance.	1	2	3	4	5

---

---

EM_21	I think that the result of performance appraisal is a standard for granting incentives.	1	2	3	4	5
EM_22	I find that the positive performance appraisal motivates and it is also pushing me to work efficiently	1	2	3	4	5
EM_23	Senior management at the bank link between incentives and results of performance for the employees.	1	2	3	4	5
EM_24	I feel satisfied about bonuses and increments that are added to the salary per year based on the results of performance appraisal.	1	2	3	4	5
EM_25	My job helps me to gain new skills and capabilities and offers me the potential for creativity and excellence in the work.	1	2	3	4	5

---

Thank you for your participation. Have a good day!

# Effect of Performance Appraisal on Employees Mo...

By: Ananda Thapa

As of: Apr 7, 2024 11:15:15 AM  
16,009 words - 78 matches - 8 sources

Similarity Index
<b>7%</b>

Mode: Summary Report ▼

**sources:**

255 words / 2% - Internet from 06-Jan-2023 12:00AM  
[library.iugaza.edu.ps](http://library.iugaza.edu.ps)

217 words / 1% - from 27-Feb-2024 12:00AM  
[elibrary.tucl.edu.np](http://elibrary.tucl.edu.np)

118 words / 1% - from 18-Jan-2024 12:00AM  
[elibrary.tucl.edu.np](http://elibrary.tucl.edu.np)

168 words / 1% - Internet from 03-Aug-2022 12:00AM  
[docplayer.net](http://docplayer.net)

145 words / 1% - Internet from 29-Oct-2022 12:00AM  
[www.researchgate.net](http://www.researchgate.net)

119 words / 1% - Internet from 08-Mar-2022 12:00AM  
[www.globalpresshub.com](http://www.globalpresshub.com)

113 words / 1% - Internet from 29-Aug-2022 12:00AM  
[elibrary.tucl.edu.np](http://elibrary.tucl.edu.np)

99 words / 1% - from 11-Jul-2023 12:00AM  
[www.balkumaricollege.edu.np](http://www.balkumaricollege.edu.np)

**paper text:**

Abstract Effective PAs are a vital assessment tool for gauging the state of workers' performance and that of the company. They are also the internal motivators that propel workers to meet organizational and personal goals.