IMPACT OF PERFORMANCE APPRAISAL ON EMPLOYEE MOTIVATION IN IT SECTOR COMPANIES: A CASE STUDY OF ACCESSIBLE ICT COMPANY

A Dissertation submitted to the Office of the Dean, Faculty of Management, in partial fulfilment of the requirements for the Degree of Masters of Business Studies

By

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November, 2022

CERTIFICATION OF AUTHORSHIP

I hereby corroborate that I have researched and submitted the final draft of dissertation entitled "Impact of Performance Appraisal on Employee Motivation in IT Sector Companies: A Case Study of Accessible ICT Company". The work of this dissertation has not been submitted previously for the purpose of conferral of any degrees nor has it 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

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Sushma Shrestha

Date:……………………….

REPORT OF RESEARCH COMMITTEE

Ms. Sushma Shrestha has defended research proposal entitled "Impact of Performance Appraisal on Employee Motivation in It Sector Companies: A Case Study of Accessible ICT Company" 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 and submit the thesis for evaluation and viva voce examination.

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APPROVAL SHEET

We have examined the dissertation entitled "Impact of Performance Appraisal on Employee Motivation in It Sector Companies: A Case Study of Accessible ICT Company" presented by Sushma Shrestha a candidate for the degree of Master of Business Studies (MBS). We hereby certify that the dissertation is acceptable for the award of degree.

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ACKNOWLEDGEMENTS

This dissertation has been undertaken in partial fulfillment of the requirement for the MBS in accordance with the rules and regulations prescribed by Tribhuvan University. I would like to take this opportunity to thank and express my sincere appreciation to all those with whose guidance and support my thesis paper experience has got successful.

I would like to express my heartfelt gratitude to TU and Peoples Campus for providing me with such a magnificent opportunity to apply our knowledge into the practical world and enhance our educational spectrum. I would like to express my sincere gratitude to respected supervisor Prof. Dr. Arhan Sthapit, PhD for providing me the opportunity to extend my horizons. I am immensely grateful to the research department head Gopal Krishna Shrestha, PhD and entire research team of Peoples Campus and all those friends for their invaluable support while collecting the information needed for the report. Lastly, I would like to thank everyone who has directly and indirectly helped me in this Academic mission and without whom this study would not have been accomplished.

Sushma Shrestha
Researcher

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ABBREVIATIONS

AGM   : Annual General Meeting

AICT   : Accessible ICT Pvt. Ltd

BODs   : Board of Directors

IT   : Information Technology

Ltd.   : Limited

MBS   : Master of Business Studies

PVT   : Private

LTD   : Limited

SPSS   : Statistical Package for Social Sciences

ABSTRACT

The researcher aimed to know the impact of performance appraisal on employee motivation at the IT sectors. Descriptive and analytical research design was used and primary data was collected from 200 employees of IT sectors. Inferential statistics was done on the variables. Both qualitative and quantitative research methods through semi-structured interviews and close ended questionnaires were analyzed to get an in-depth view about the problem. The result shows that performance management, succession planning, and management support have a negative relationship with the dependent variable employee motivation, with the relationship being statistically insignificant for all three variables. Employee motivation levels will fall when performance management, succession planning and managerial assistance are raised in an organization, as seen by the data presented above. The relationship is out of sync with the facts of life. Additionally, performance monitoring has a positive relationship with employee motivation, and it is statistically significant since the significance value is lower than the significance threshold. Rewarding performance has a positive relationship with employee motivation, and this relationship is statistically significant since the p value for this dimension is lower than the threshold for statistical significance

Keywords: Employee motivation, management support, Performance appraisal, rewarding performance, succession planning.

CHAPTER I

INTRODUCTION

1.1 Background of the Study

The history of performance appraisal is quite brief. Its roots in the early 20centuries can be traced to Taylor's pioneering Time and Motions studies. As a distinct and formal management procedure used in the evaluation of work performance, appraisal really dates from the time of the Second World War not more than 60 years ago. Appraisal, it seems is both inevitable and universal. According to Guest (1997) the outcomes of effectual performance appraisal are improved accurateness of performance of an employee and relating it to task performance and obvious likelihood of rewards. There are many outcomes that can be attained from having performance appraisal program which include continuous open communication, improved employee morale, job satisfaction, reduced employee turnover and increased employee commitment, increase motivation for both individuals and teams, feeling of equity among employees and linkage between performance and Performance and rewards.

The performance level achieved will lead to a reward, and this provides the basic feedback about one strengths and weaknesses which is inevitable for formulating succession plans. According to Expectancy Theory, the perception of high performance is achieved where certain reward equally proportional to expected. According to the resource based view, employees are the resources and assets of the organization. Consequently, organizations need to figure out strategies for identifying, encouraging, measuring, evaluating, improving and rewarding employees' performance at work. According to this respect, performance management and appraisal systems have come to play an indispensable role in helping organization to reach their goals of productivity (Stivers and Joyce, 2000). In fact, human resource management practices could influence the behavior of individual employees. There is a common realization by organizations that without effective performance from employees, they cannot achievetheir goals and objectives (Brudan, 2010).

A major component of a performance management system is performance appraisal also known as performance review. Performance appraisal therefore represents a structured way of monitoring employee performance and identifying ways of

improving the performance and productivity of workers (Brown and Heywood, 2005). Results of the performance appraisal process may be used by management in deciding which employees to promote, give salary increment, transfer or train. In the process of appraising performance, an employee's strength and weakness are identified and discussed in relation to commendation or to areas of improvement. Communication improves significantly due to regular contact between the employee and the supervisor as they discuss performance. According to Coens and Jenkins (2000) a performance appraisal system can provide the organization and the employee with many benefits including increased productivity and hence higher returns. Baylis et al. (2016) agree that in the contemporary markets, organizations must incessantly improve performance through cost reduction, product, and process innovation to improve quality, productivity, and speed to market.

Performance appraisals are indispensable for the effectual supervision and costing of staff. Appraisal help to enlarge individuals, perk up secretarial routine, and nourish into dealing development. Performance appraisals provide a recognized, recorded, customary assessment of an individual's routine, and a sketch for potential enlargement. Boice and Kleiner (1997) suggested that employee performance appraisal is crucial for the motivation of the employees. A major benefit of performance appraisal is that if well executed, they can motivate employee to perform better. Performance appraisal is therefore fundamental in the motivation of the employees. Admittedly sometimes it may be tough practice as some home truths are formally collective about performance and leadership but it should never, never be a flabbergasted.

Motivation signifies worker yearning and obligation, which is marked as effort. Some populace wishes for to absolute project excluding efficiently distracted or dejected. Motivation creates a dominant component when going through the procedure of social knowledge. The challenge for managers today is to keep the staff motivated and performing well in the workplace. The manager has to know the behavior of each employee and what might motivate each one individually. By understanding employees' needs, managers can understand what rewards to use to motivate them. The goal of most companies is to benefit from positive employee behavior in the workplace by promoting a win–win situation for both the company and workers.

1.2 Problem Statement

Performance assessment is vital for a business, as it assists companies assuring people are working hard to contribute to accomplishing the firm's goal and objectives. Performance evaluation drives people to perform hard in ways that is anticipated by the company. Armstrong (2001) explained on the performance as behavior - the method in which organization's teams and people get things done. Performance assessment has a big relevance to employee motivation. In order to get at the needed performancelevel, it is vital for any firm to generate a greater motivation in the mind and spirit of workers via efficient performance assessment system. It has been found that without aclear aim of efficient performance assessment system, there is no incentive at all to workers and no organizational success (Jabeen, 2011).

Employee performance appraisal is a critical component of the overall human resource management function at Accessible ICT Pvt. Ltd. Employee performance appraisal is a critical component of the function of overall human resource management in the organization (AICT). In general, the performance appraisal process is intended to manage and enhance the performance of the Accessible ICT by allowing involvement of employees in all aspects of the organization's operations, including planning, delivery, and evaluation of job performance. As part of performance contracting and results-based management, the AICT has established performance assessment rules for its employees. AICT management, on the other hand, recognizes that the organization has had a bad performance over the previous several years in general. In the face of poor and deteriorating performance that has consistently performed below expectations due to poor management and leadership, funds and human resource mismanagement, excess staff, work duplication, substandard employee performance, and excessive political interference, it was forced to confront the challenge of improving performance. Economic weakness, poor performance and services, a lack of enthusiasm, and instability are all consequences of this situation. According to the definition, this is described as an individual's view of the organization's administration's honesty and fairness (Cropanzano, Gilliland, & Bowen, 2007). Using this measure, researcher will be able to illustrate how employees view fairness inside the business in this research. The recurring activities are often the primary role of leaders in organizations. As a leader in an organization's hierarchy, it is imperative to know the determinants of organizational performance (Watson, 2016). It allows managers to

identify the key factors to prioritize to develop organizational performance. The analysis should enable managers to address deficiencies and use the information gained to improve the company systems when it comes to customer service, investor demands and employee motivation (Rock & Jones, 2015).

A number of research have been conducted in order to determine the influence of performance appraisals on the motivation of employees. Due to the study's findings, ithas been established that performance assessment is crucial in employee motivation and has assisted in improving work performance by identifying performance appraisal difficulties and ways to increase employee productivity and motivation. The findings of the research also demonstrated that performance appraisals are a key component in determining whether or not workers are motivated. In the end, it was determined that the greater the transparency and objectivity of performance rating in information technology (IT) offices, the better the level of motivation of workers would be.

Numerous studies conducted on the impact of performance assessment on employee motivation within the IT service have fallen short in explaining how performance appraisal influences or affects employee motivation within the IT service. Therefore, this research aims at closing existing knowledge gaps by attempting to offer a solution to the following question:

- How performance appraisal practice has done in Accessible ICT Pvt. Ltd?
- What is the impact of performance planning, performance monitoring, rewarding performance, succession planning and management support on employee motivation at the Accessible ICT Pvt. Ltd?
- Which performance appraisal factor impact most on employee motivation of Accessible ICT Pvt. Ltd?

1.3 Objectives of the Study

The general objective of the study is to examine the impact of performance appraisal on employee motivation of employees of IT sector companies. To achieve the main objectives, the specific objectives were as follows:

- To evaluate the performance appraisal practice in Accessible ICT Pvt. Ltd.

- To analyze the impact of performance planning, performance monitoring, rewarding performance, succession planning and management support on employee motivation at Accessible ICT Pvt. Ltd.

- To analyze the most affecting performance appraisal factor on employee motivationof Accessible ICT Pvt. Ltd.

1.4 Rationale of the Study

The researcher's experience or expertise in the subject of study has been growing as a result of the research conducted. The other contribution of the study was the first and for the most part, the findings and recommendations of the study have been vital for human resource practitioners who design and administer employee's performance appraisal to achieve organizational objectives and to tackle the problem regarding employee's performance appraisal and to motivate employees of ICT Pvt. Ltd. The findings and recommendations of the study have been vital for the human resource practitioners who design and administer employee's performance appraisal to achieve organizational objectives and to motivate employees of ICT Pvt. Ltd. The company's management, workers, and customers also profit from the study since the results, conclusions, and suggestions made by the researcher assist to prevent de-motivation and malpractice in performance appraisals, among other things. The study also benefits other researchers by serving as a reference or set of guidelines for others who want to undertake research on similar or related themes in order to come to a conclusion and make recommendations on the issues raised by this study.

1.5 Limitations of the Study

Every research has some limitations. Having outlined the objectives, problem statement and rationale of the study, following are some of the limitations of the study:

- The study is conducted among selected employees from ICT Pvt. Ltd, so resultcannot be generalized.
- The study was done within the data collected among sample respondents in limitedtime period, data may be partially accurate.
- Study was based on primary data so, sometimes employees are not willing todisclose their personal information which may not give final result.

1.6 Chapter Plan

This research was organized in five chapters. The first chapter deals with introduction. This includes background, problem statement, objectives of the study, rationale of the study, limitations of the study and organization of the study. Chapter two consists review of literature. It includes theoretical review which include review of books and

theoretical considerations similar to the topic and empirical review which include review of reports, journals etc. Third chapter explains the research methodology used in the study, which includes research design, sources of data, data collection procedures and methods of data analysis of etc. Fourth chapter explains the results and discussion. Within this chapter, many sub headings are included based on the nature of the availability of data. Chapter five consists with conclusion and implications of the study. At last references and appendices were presented.

CHAPTER II
LITERATURE REVIEW

The purpose of this research is to investigate the relationship between performance appraisal and motivation in an Informational Technology. The concepts & definitions are the concepts that are related to this research, and how it can help defining the research problem. The concepts & definitions stated here will describe the theories related to Fairness of Performance Appraisal, Motivation, and Satisfaction towards Performance Appraisal. There may be a large amount of connected literature on the subject area; however, this part is limited to ideas that have been utilized in this specific study and earlier material that has been relevant to the issue. In general, there are three portions to this chapter. The first segment dealt with the theoretical review, the second section dealt with the empirical review and the last section dealt with the identification of gaps.

2.1 Theoretical Review

It is possible to describe performance management as a systematic procedure for increasing organizational performance via the development of the performance of people and teams. Getting better outcomes by analyzing and controlling performance within an agreed-upon framework of set objectives, standards, and competence requirements is what performance management is all about (Armstrong, 2007). Performance management is a continual process of recognizing, measuring, and growing performance in companies by relating each individual's performance and objectives to the organization's broader purpose and goals. It is often referred to as "performance appraisal." Performance management is essential for small and big businesses for-profit and non-profit, domestic and international as well as for enterprises across all sectors. After all, the success of an organization is determined by the performance of its people, regardless of the size, purpose, or other qualities of the organization (Aguinis, 2005).

There has been large number of researches in past several decades on performance appraisal. Performance appraisal sounds simple but researches tell us that it is commonly used in performance feedback and identify individual employee's strengths and weaknesses. The use of performance appraisal system by business and industry has been counted between 74 to 89 percent (Murphy & Cleveland, 1995). Performance

appraisal systems are used for different purposes in which include Human resource decisions, evaluation and feedback. Performance appraisal establishes reward system that will combine the effort of leaders and the worker of organization to the common goals of their organization. For achieving high performance goal of organization performance appraisal is very important component of human resource management. The information gathered and performance appraisal provide basis for recruitment and selection, training and development of existing staff, and motivating and maintaining a quality human resource through correct and proper rewarding of their performance. Performance appraisal is often including performance management system. Performance management systems manage and align all the organization, resources in order to achieve the highest possible performance. Performance appraisal has widened as a concept and as a set of practices and in the form of performance management has become part of a more strategic approach to integration HR activities and business policies (Fletcher, 1997). According to Ghutke (2016) organizations conduct performance appraisal for 3 main reasons that is, for the purpose of effective communication, decision making and motivating. Performance appraisal methods can be broadly classified under objectives measures and subjective measures. According to Dutta and Lawson (2009) there is a new avenue for firms to gain competitive advantages in the market. Through the organization's greatest asset, that is the human resource. Managing the workforce is vital in improving competence and performance through increased individual performance. Greenan and Lorenz (2013) focused on the effect of performance appraisals on perceptions of organizational, market performance of the firm, and concluded that the single most significant variable affecting corporate performance was training and development, which is a role of performance appraisals. The evaluative purpose encompasses increment decisions, incentives, bonuses, and in long term promotion decisions, identification of poor performers, determination of termination, lay-off (Bohlander & Scott, 2007).

2.2 Empirical Review

Kamphorst and Swank (2012) developed a model in which the employee is uncertain about his own performance and about the manager's ability to assess him. The manager gives an employee a performance appraisal with a view of employee's self-perception, and the employee's perception of the manager's ability to assess performance. We

examine how performance appraisals aspect the employee's future performance. The predictions of our model are consistent with various empirical findings. These comprise (i) the observation that managers tend to give positive appraisals, (ii) the finding that on average positive appraisals motivate more than negative appraisals, and (iii) the observation that the effects of appraisals depend on the employee's perception of the manager's ability to assess performance accurately. At the same time Roy (2001) view work motivation as the process of employees' participation in achieving of organizational goals through a definite pathway. The appraisals take a systematic approach where supervisors measure employee's remuneration against set targets and plans (Kuvaas, 2006).

Mathew and Johnson (2015) explored and examine the relationship of work Performance with the performance appraisal and motivation among nurses of a multi-specialty hospital in Kerala. Data was collected through pre tested structured questionnaires. The sample size consists of 100 nurses of the particular hospital. Convenience sample was used to collect the data due to time and resource constraints. For analysis, regression and correlation techniques were used. Reliability analysis was used to check the reliability of the questionnaire. Results of correlation and regression analysis show that there is positive significant relationship between work performance and performance appraisal and a positive but not significant relationship between work performance and motivation of the employees of hospital industry.

Kisang and Kirai (2016) investigated the effect of objectivity of the performance appraisal and feedback on employees' motivation. The study applied case design. Census sampling was used which involved all the 12 top level management and 24 middle level management and 112 lower-level management. Data was collected using a questionnaire. Data collected was analyzed using Statistical Package for Social Sciences version 22. Descriptive statistics and thematic analysis were used for analysis and data was presented using frequency tables and bar graphs. The findings indicated that objectivity of performance appraisal and feedback positively influenced employees' motivation. The effect of feedback was found to be positively related to employee motivation and had the most statistically significant coefficient. The objectivity of performance appraisal was positively related to the employee motivation.

Aydin and Tiryaki (2018) investigated the influence of performance appraisal on employee motivation and productivity in Turkish forest products industry using a

structural equation model. The questionnaires prepared for this purpose were applied to 432 people that work in 14 forest products industry businesses operating throughout Turkey. A total of nine hypotheses were established to determine the relationship between performance appraisal and employee motivation and productivity. The results indicated that five hypotheses were accepted, while four of them were rejected. In the light of the findings of this study, it may be generally said that the effect of performance appraisal on employee motivation and productivity was high. In other words, performance appraisal was found to be a major factor on employee motivation and productivity. Employee performance and contributions are evaluated, and the organization's long-term effectiveness is regarded as one of the most important human resource techniques (Alessa, 2014). Kumar (2018) evaluated the links between systems of Perceptual Effectiveness of High-Performance Work Practices and firm performance. Results based on a national sample of nearly one thousand firms indicate that these practices have an economically and statistically significant impact on both intermediate employee outcomes (turnover and productivity) and short- and long-term measures of corporate financial performance. Support for predictions on their interrelationships and links with competitive strategy was limited.

Lee (2019) explored the moderating factors determining the motivational effect of performance-based human resource management. The analysis of the data from the 2010 Merit Principal Survey (MPS) reveals that the motivational effect of performance-based human resource management was weaker for those who have (a) a strong public service motivation, (b) a low self-efficacy, (c) enjoyed a high level of job autonomy, and (d) had enough resources necessary to get the job done. The directions of the first two moderating effects were consistent with common beliefs. However, those of job autonomy effect and of organizational resource effect were incompatible with the popular beliefs that autonomy and resources are necessary conditions for successful performance management.

Faisal, Faryaz and Ali (2021) conducted an empirical study of the staff members keeping in viewof banking sector and data has been collected through questionnaire. Authors have established the relation between performance appraisal and work motivation which depends on performance appraisal types used in Banking sector and transparency of the process of performance appraisal, which is carried out are merely shared to employees only rating and appraisal letter is disseminated so therefore it

impacts a downfall on employee engagement and employee gets demotivated if appraisal cycle is not conducted transparently which results in turn over. Authors have studied different performance methods which are implemented in organizations and tried to generate a new appraisal method keeping in view of COVID-19 and modern changes implemented in current era. Authors have reached out a point that employee should be educated about performance appraisal method so that it can be more effective and plays a positive role in building future leaders and increase organization profitability and maintain a healthy culture in an organization. It is concluded that combination of 360-degree appraisal and Human Resource Cost Accounting method shall be implemented as a new appraisal methodology which can be successful in keeping employee retention and playing a positive role in organization goals and objectives. If employees are not involved in financial benefit of an organization in that case, they have to convert impact of their performance which results in achieving organizational goals and objectives. Essence; conversely, more experienced coworkers have a more diverse skillset and are more respected by both their bosses and their peers because of it.

Tudor and Petre (2021) explored the impact of motivation on the overall performance of a company and even if it complements the existing literature, it leaves room for future research opportunities on the topic discussed. Authors also investigated the relationship between motivation and human resource management, analyzing whether it is important to treat each employee individually and consider that each person is different and has different needs or whether employees should be treated collectively, as a group. The results were collected by analyzing various qualitative and quantitative data and by conducting comprehensive research in the most relevant research platforms, numerous books and official electronic resources related to employee motivation, performance management and evaluation. Nabi and Islam (2017) found out how various motivational tools impacts the performance of employees and make them productive. The final individual factor is the position of the employee in the hierarchy of the organization (Prabhu, 2018).

2.3 Conceptual Framework for the Study

From the review of different literature, researchers have proposed the following conceptual framework. Employee motivation is dependent variable while performance planning, performance monitoring, rewarding performance, succession planning and

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management support the performance appraisal dimension are independent variables. The variables were retrieved from the empirical study of Kisang and Kirai (2016), Aydin and Tiryaki (2018) and Faisal et al. (2021). Porter (2016) examined that the most critical think for an organization is to identify the candidate who can be good leaders as well as effective managers. For them to be effective, it is very important that they should be self-motivated. The researcher reveled the impact of value oriented organizational culture and assessment of work environment on the employee attitudinal factor.

Performance appraisal is an important tool for effective management and motivating employees in the banking sector. The performance of an organization is dependent upon the performance of its employees. The success of an organization will therefore depend on its ability to measure accurately the performance of its ability to measure accurately the performance of its employees and use its objectivity to optimize them as a vital resource (Vashistha, 2018). Organizations must devise a practical framework for ensuring that performance evaluations on job satisfaction are perceived to be fair by employees. The usefulness and fairness of performance evaluations are still debatable to this day. Human resource functions have relied on performance assessment interviews for decades, but there are limits to how much they can upgrade employee opinions, feelings, and motivation (Hosain, 2016). Organizational performance appraisal increases employee accountability and productivity (Halachmi, 2002). It is widely accepted that performance appraisals are a valuable human resource management tool that businesses use to measure and manage performance (Radebe, 2015). Furthermore, Geomani (2012) investigated on organization to grow it must consider motivation as a prime factor in achievement of its growth and sustain.

Similarly, the COVID-19 pandemic presented huge challenges to all aspects of life including social, economic, public health, governmental and business activities. Following a year of mandatory closures and quarantine, there is new hope in the fight against the virus as vaccines and new safety precautions have been implemented globally, but the crisis is not over. Many lessons are still being learned about the crisis which points to a need for human resource managers to revisit lessons learned from past emergencies and disasters in addition to organizational responses to the COVID-19 pandemic. In addition, existing human resource management plans and policies, occupational safety and health procedures; and continuity plans will need to be

revisited to ensure continuity from of operations in future emergency events (Asfahani, A, 2021)
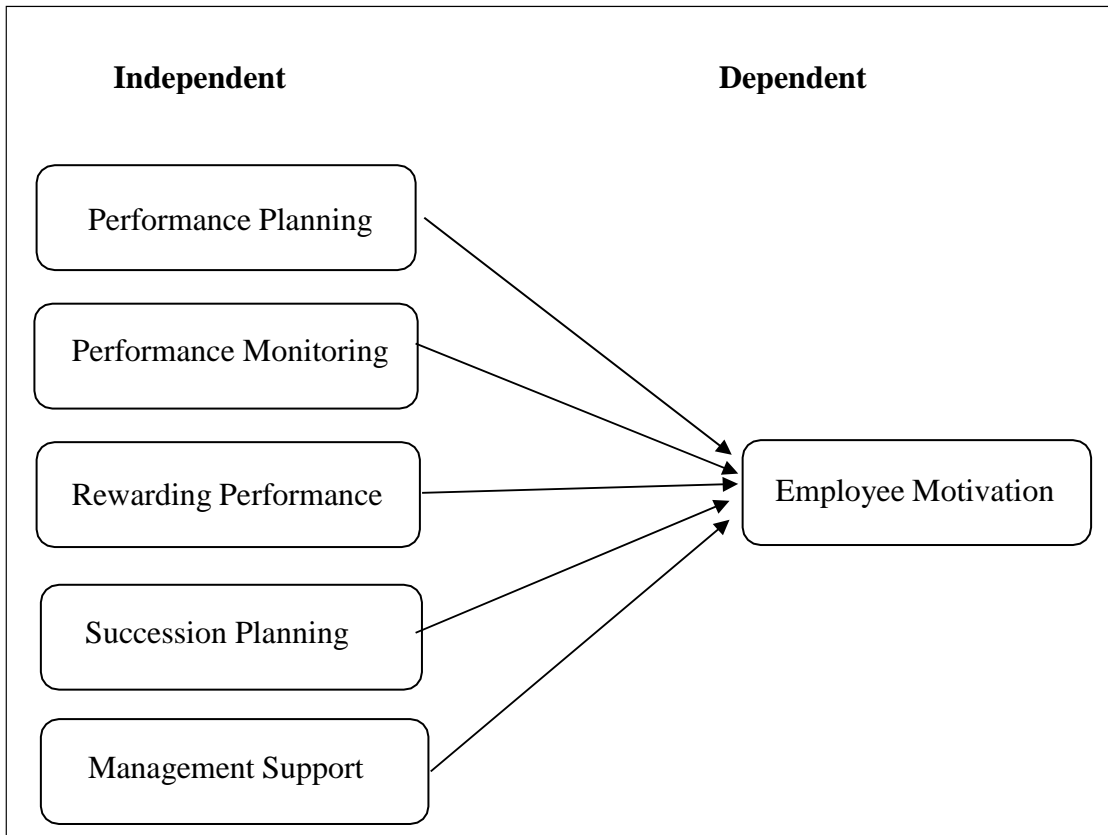
Figure 1 *Conceptual Framework*

2.4 Research Gap

According to the studies analyzed, performance appraisal systems are connected with increased staff motivation and productivity. In accordance with the weight of evidence in the literature study, employee motivation is likely to be determined by the practices of performance appraisal including performance planning, performance monitoring, rewarding performance, succession planning and management support. In a similar vein, the literature reveals that the majority of research conducted on Performance Management Systems and Employee Motivation concentrated on a small number of factors such as rewards, compensation plans, and so on. Only a few research has been conducted in Nepal on the subject of performance appraisal and staff motivation in IT sector. However, there was little information available on the impact of performance appraisal systems on employee motivation in Nepalese IT sector. As a result, this research attempted to close the knowledge gap that had been observed.

Thus, Garg 2014) defines equity, expectancy, and goal-setting theories as the conceptual framework for performance appraisal. It is worthy of note that a due attention should be also given to need-based and reinforcement theories as well as to intrinsic and extrinsic rewards. Rogers and Wright (2008) found evidence of a positive relationship between satisfaction and acceptance of performance appraisal outcomes with employee perceptions that their supervisors encouraged participation, assisted in goal setting and provided frequent feedback. The success of the business organizations largely depends on the effectiveness and quality of the services that they provide to the customers. According to Hussein (2017) employee's performance fundamentally depends on employee motivation, training and development, performance appraisal, employee satisfaction, compensation, job security, organizational structure among others. Motivation of employees is to perceived to have positive impact on performance of organization, yet many organizations have not realize this, or they have but lack the capacity to implement it (Kemoh, 2016)

Bagul (2014) stated that all the employees of the organizations are completely aware about the concept of Performance Appraisal and also the procedure of performance appraisal followed in their organization, thus making the process of performance appraisal completely transparent. The employees have a good understanding about the need to have an effective performance appraisal system and therefore they actively involve themselves to suggest measures to improve the system of performance appraisal. From the research, it is found that the company has too many criteria and parameters that are present for conducting the performance appraisal of top level of employees. t. For organizations it simplifies the process of employees' performance assessment as well as group evaluation. At the same time performance appraisal validates organizational methods of staff selection and motivation elements, and evaluates the effectiveness of implemented procedures as trainings, pay raises, promotions, system changes, etc. Mooney (2009) concluded that performance appraisal as the process not just linked to the results but also connected to definite employees' behavior adopted in order to achieve established objectives. For the organization, PA facilitates assessment of the productivity of individual workers and work units. It also serves as a means of validating personnel selection and placement methods, means for recognizing and motivating workers, source of evaluating the effectiveness of organizational intervention such as training programmers, system

changes, etc (Riggio, 2003). All of these definitions may be summarized as Noe et al., (2010) proposed that performance appraisal is the process of measuring and evaluating employees' performance through information collection of individual job performance data within the company. Osabiya (2015) stated that various strategies that many organizations design to compete and achieve prosperity. He focused on employee motivation determines any business success.

Mathis and Jackson (2008) also separate development purpose of performance appraisal. Here emphasis is mostly directed towards employees' development through the training or planning functions. It includes administrative and informative areas of McGregor's concept and can be fully covered by them. Finally, motivational function may help to establish learning environment that motivates employees and directs them to performance improvement. Moreover, Levy and William (2004) stated that performance appraisal traditional concept is going to be broadened by including how rate's reacts towards performance appraisal. Walid and Zubair (2016) found that efficient communication, level of trust, leadership and accountability have positive and significant impact on employees' performance while intrapersonal skills and cohesiveness have no influence on employees' performance. Paudel (2016) concluded that there is a positive impact of employee motivation factors (employee participation, performance appraisal system, rewards, training, compensation and working environment) on organizational performance. Similarly, Phina and Chukwuma (2018) discovered the positive relationship between teamwork and employees' performance and significant influence on performance of the employees.

CHAPTER III
RESEARCH METHODOLOGY

In this paper firstly defined performance appraisal, employee performance and the propensity of motivation affect both the performance appraisal and employee performance in literature. In the same way, this chapter discusses research design used, the tools used for collecting data, its analysis and presentation.

3.1 Research Design

In this paper descriptive and analytical research design was apply. A descriptive research design was adopted in form of survey. Mugenda (1999) stated that descriptive survey entails a science which observes and describes the behavior of a subject without interfering with it at all. It seeks to find out who, how, what, where and when about something in particular. It is a method employed in collecting data from targeted population respondents by use of questionnaires, interviews and observation schedule. The descriptive research design is used when researchers feel they have specific group of people who can define the main issues about the main determinants of the study. The researcher has used descriptive research design. The present study has adopted a case study approach and selected the case of Accessible ICT Pvt. Ltd. So, the design was suitable for this research because the objective of study was to identify the relation and define how these determinants are supported each other.

3.2 Population and Sample

The target population of our study was the employees that are working in the IT sector of Kathmandu. Cooper and Schindler (2003) indicated that a population is a group on which the researcher will focus. Ngechu (2004) stated that a population is a set of people, services, and elements, group of things, or households that are being investigated.For selecting the above mention population, the study used simple random sampling techniques which provide every item of population same and known chances of beingnominated. For collecting data 200 respondents were nominated representing the population. Survey of all the employees (on permanent and contract) and the employees of IT sector have knowledge and aware about the determinants of study.

3.3 Sources of Data

The questionnaire is the main source of collecting data. The questions developed to collect quantitative data. Data has been collected by applying the standard questionnaire. Questionnaire has been adopted from the papers of (Ghamdi, 2011). In questionnaire general questions are about gender, age, employment status, and education level. The researcher has used Liker scale of fifth continuum from 1 to 5. 1= strongly agree, 2=agree, 3= uncertain, 4=disagree and 5= strongly disagree in this questionnaire.

3.4 Data Collection Procedures

Primary data which were collected through survey method is the appropriate researches instrument for the analysis this research. First of all, researcher developed various questions based on research topic variables. Then, question tries to find out the relation between the dependent and independent variable in research questions. The study employed simple random sampling techniques to obtain 200 employees' perception about various variables which affect the employee motivation at IT sector.

3.5 Data Analysis Tools

Data analysis includes the important characteristics and relation of variables that leads to generalize the define outlines of behavior and specific results. A descriptive investigation was employed. Data was collected according to frequency distribution to point out the variables importance and number of events influence in terms of frequency. Frequency distribution table was useful to elaborate the data from respondents. Data was checked for accuracy, uniformity, logical completeness consistency before analysis. General information of the respondents was analyzed by using descriptive statistics such as percentages and frequency. Regression analysis was used to establish the impact of performance appraisal on employee motivation in the Accessible ICT Pvt. Ltd. (AICT). Findings have been presented using tables. SPSS 25.0 software has been used to analyze the raw data. Mainly, the following tools have been utilized in this study:

Mean

Mean is a statistical tool to calculate the average of the numbers. It is calculated by

summing up all the frequencies and dividing it by total number. It is the most used tools in research to analyze and interpret the result.

Standard Deviation

It is also a statistical tool which is denoted by letter sigma or the Latin letters. It is a measure that is used to quantify the amount of variation or dispersion of a set of data values. A low standard deviation indicates that the data points tend to be close to the mean of the set, while a high standard deviation indicates that the points are spread out over a wider range of values.

Correlation Analysis

Correlation coefficient is the process of studying the strength of that relationship with available statistical data. It is one of the most common and most useful statistics. It is a single number that describes the degree of relationship between two variables.

Regression Analysis

Regression analysis is a technique used to estimate impact of two or more variables on dependent variable. The linear regressions model was as follows

$$EM = \beta_0 + \beta_1 PP + \beta_2 PM + \beta_3 RP + \beta_4 SP + \beta_5 MS + \varepsilon i$$

EM = Employee Motivation

β_0 = Constant

β_1 = Regression of Coefficient

PP = Performance Appraisal

PM = Performance Monitoring

RP = Reward Performance

SP = Succession Planning

MS = Management Support

ε_i = Error Terms

CHAPTER IV
RESULTS AND DISCUSSION

This chapter presents and analyzes the primary as well as secondary data collected from different sources. It provided insights of the predicted objectives of the study. Performance measurement practices in Nepalese IT sectors has been presented and analyzed. To attain the objectives set by this study, the existing practices of different quantitative and qualitative measures in IT sectors and their impact on organizational performance have analyzed. Findings of the study are provided in this chapter. It also highlights the four sections which are Response rate, background information of the respondents, performance appraisal, employee motivation and discussions of the findings. The collected data are tabulated analyzed by using financial and statistical tools such as SPSS, Ms - Excel etc.

4.1 Results

Out of total sampled respondents, all are the IT professions using simple random sampling method. Respondents are distribution by gender, age, education, experience and several statements on performance appraisal and employee motivation which is presented below:

4.1.1 Respondents Demographic Statistics

The part of the questionnaire presents the data findings on the respondents' background information. The background information includes gender of respondents, age of the respondents, highest educational level, Work of experience of the respondents of the respondents in the organization.

4.1.2 Gender Profile of Respondents

Out of total sampled respondents, all are the IT precession who were chosen using simple random sampling method. Respondents are distribution by gender group is presented in Table 1:

Table 1

Gender Profile of Respondents

Gender	Frequency	Percent
Male	105	52.5
Female	95	47.5
Total	200	100

Note: From Survey 2022

Table 1 represents the gender profile of respondents. Accordingly, to this table, approximately forty eight percent of the respondents are women employees of concernedIT sectors. But Majority of the respondents are male because of their high representation in higher level position in IT sector under study. The finding implies that both male and female participated in the study.

4.1.3 Respondents Age

Out of total sampled respondents, all are the IT precession who were chosen using simple random sampling method. Respondents are distribution by age group is presented in Table 2.

Table 2

Respondents Age

Respondents Age	Frequency	Percentage
18 to 25	16	8
26 to 35	87	43.5
36 to 45	49	24.5
46 and above	48	24
Total	200	100

Note: From Survey 2022

The responses on age are shown in the table 2. The study findings indicate that 8 percent of the respondents were 18-25 years, 43.5 percent fall between 26-35 years, 24.5 percent were of between 36-45 years, while 24 percent of the respondents were 46 and above years. This indicates that majority of respondents were 26-35 years' age group. This implies that the organization should start a succession planning programmer to bridge thegap between the aging employees and young middle-aged employees.

4.1.4 Qualification of Respondents.

This qualification status indicates that they are aware about performance measurement indicators and their use and importance. Therefore, respondents are able to provide the information related with performance measurement practices in their respective IT sector.Out of total sampled respondents, all are the IT precession who were chosen using simplerandom sampling method. Respondents are distribution by education group is presentedin Table 3:

Table 3

Qualification of Respondents

Highest Education Qualification	Frequency	Percentage
Master's Degree	12	6
Bachelor's Degree	55	27.5
Higher Diploma	31	15.5
Diploma	46	23
Certificate	56	28
Total	2	100

Note: From Survey 2022

Table 3 highlights the details of the qualification status of the respondents taken under thisstudy. The outcome on respondents' highest education qualification shows that 6 percent of the respondents had Master's Degree, 15.5 percent respondents had Higher Diploma, 27.5 percent respondents had Bachelor's Degree, and 23 percent also had Diploma while 28 percent were ordinary certificate holders. This shows that that majority of the employeeshad at least certificate qualifications. The findings imply that most of the employees were well informed on performance appraisal system and employee motivation.

4.1.5 Work Experience of Respondents

Out of total sampled respondents, all are the IT precession who were chosen using simple random sampling method. Respondents are distribution by experience is presented in Table 4:

Table 4

Experience of the Respondents

Work Experience	Frequency	Percentage
0 to 5 years	91	45.5
5 to 10 years	67	33.5
10 to 15 years	31	15.5
15 years and above	11	5.5
Total	200	100

Note: From Survey 2022

The item was required to capture the respondent years of work duration. Findings are presented. From the findings as per Table 4.4, majority of the respondents have worked in the IT between 0 to 5 years at 45.5 percent, 33.5 percent of the them had worked for 5 to 10 years while 5.5 percent had worked for over 15 years hence had participated in performance appraisal process for a long period.

4.1.6 Statistical Analysis of Performance Appraisal and Employee Motivation

The study focused on the research findings of various performance appraisal practices on employee motivation. The section shows standard deviations and means of performance planning, managing and reviewing of performance, monitoring, performance assessment, and performance rewarding. The employee motivation had several factors that included; organization culture, management and leadership style, learning and development, career planning and development and reward systems. The study investigated the impact of the foresaid factors on employee motivation. This is in accordance with Yee and Chen (2009) who argued that PA can act as a motivator by providing feedback on employees' performance; encouraging increased productivity; and reducing wastefulness. The study used a five-point Likert scale ranging from Strongly Agree (5) to Strongly Disagree (1). The strongly disagree and disagree scores represented a variable of mean scores ranging from 0 to 2 on the continuous Likert scale; ($0 \leq$ L.E < 2). The scores on moderate represented a variable with a mean score of 2 to 3 on Likert scale: ($2 \leq$ M.E. < 3). Both agree and strongly Agree scores represented a variable of mean score of 3.5 to 5.0 on Likert scale; ($3 \leq$ G.E. < 5.0)

Performance Planning

In this section researcher review the statistics of Mean and Std. Deviation for the four performance planning factors of according to 5-point Likert scale interval, from which (strongly disagree and disagree) classified as low level with mean score < 2.5, (neutral) classified as a moderate with mean score [2.00:3.00] and (agree and strongly agree) classified as a high level with mean score > 3.00.

Table 5

Performance Planning

Statements	N	Mean	SD	Rank
My performance expectations are usually defined in my individual work plan and job description	200	3.28	1.32	1
I adhere to realistic work plans and time tables established by my supervisor, department and organization	200	3.25	1.28	2
My organization set clear objectives and I work towards their achievement	200	3.20	1.40	3
I improve the quality of work through better planning, on-going discussion and fair participatory appraisal	200	3.12	1.39	4

Note: From Survey 2022

Table 5 shows that performance planning that influence the employee motivation. It indicates the number greater than 3, i.e., agree. The mean value for first, second, third and fourth statement on performance planning were 3.28, 3.25, 3.20 and 3.12 respectively. The performance planning influence in employee motivation respondents are agree that performance planning have a great impact on employee motivation. Therefore, we can deduce that the organization exercise performance planning within the ministry an aspect that can be investigated further on employee motivation.

Performance Monitoring

In this section researcher review the statistics of Mean and Std. Deviation for the four performance monitoring factors of according to 5-point Likert scale interval, from which (strongly disagree and disagree) classified as low level with mean score < 2.5, (neutral) classified as a moderate with mean score [2.00:3.00] and (agree and strongly agree) classified as a high level with mean score > 3.00.

Table 6

Performance Monitoring

Statements	N	Mean	SD	Rank
Progress reviews are conducted to compare the predetermined standards of employees	200	3.35	1.28	1
My work environment is friendly and helps mework effectively	200	3.31	1.41	2
There is feedback on my performance as an employee	200	3.29	1.43	3
My individual performance has link withorganizational performance	200	3.25	1.40	4

Note: From Survey 2022

Table 6, indicates the respondent response on ranking scores of the performance monitoring of IT sector. It indicates the number greater than 3, i.e., agree. It indicates thatthe four statements on performance monitoring factors on employee motivation, respondents are agreed. The mean value for first, second, third and fourth statement on performance monitoring were 3.35, 3.31, 3.29 and 3.25 respectively. It indicates that sample respondents were agreed with the statements that performance monitoring factors have a great impact on employee motivation. Therefore, it can be deduced that performancemonitoring was being utilized in the organization.

Rewarding of Performance

In this section researcher review the statistics of Mean and Std. Deviation for the four rewarding performance factors of according to 5-point Likert scale interval, from which (strongly disagree and disagree) classified as low level with mean score < 2.5, (neutral) classified as a moderate with mean score [2.00:3.00] and (agree and strongly agree) classified as a high level with mean score > 3.00.

Table 7
Rewarding Performance

Statements	N	Mean	SD	Rank
Organization compensation policy attracts andretains employees	200	3.35	1.25	1
The performance is linked to employee reward andcompensation	200	3.32	1.38	2
My organization has a framework to reward excellentperformance and/or salary increase decisions	200	3.28	1.37	3

Note: From Survey 2022

Table 7, indicates the respondent's response on ranking scores of rewarding of performance.It indicates the number greater than 3, i.e., agree. It indicates that the four statements on rewarding performance factors on employee motivation, respondents are agreed. The mean value for first, second, third and fourth statement on rewarding performance were 3.35, 3.32, 3.28 and 3.28 respectively. It indicates that sample respondents were agreed with thestatements that rewarding performance factors have a great impact on employee motivation. Therefore, the study suggests that the organization adopted rewarding of performance.

Succession Planning

In this section researcher review the statistics of Mean and Std. Deviation for the four succession planning factors of according to 5-point Likert scale interval, from which (strongly disagree and disagree) classified as low level with mean score < 2.5, (neutral) classified as a moderate with mean score [2.00:3.00] and (agree and strongly agree) classified as a high level with mean score > 3.00.

Table 8

Succession Planning

Statements	N	Mean	SD	Rank
Considering the importance of career planning for our company, our company feel that it helps the organizationexpand and thrive.	200	3.31	1.40	1
In every area, our company works to build career pathways and employment families that are mutually beneficial	200	3.21	1.38	2
Our company has strategies for the development andadvancement of our employees	200	3.13	1.30	3
Our company provides career counselling services onregular time basis	200	3.03	1.41	4

Note: From Survey 2022

Table 8 indicates the number greater than 3, i.e., agree. It indicates that the four statements onsuccession planning factors on employee motivation, respondents are agreed. The mean value for first, second, third and fourth statement on succession planning were 3.31, 3.21, 3.13 and 3.03 respectively. It indicates that sample respondents were agreed with the statements that succession planning factors have a great impact on employee motivation. Therefore, the study suggests that the organization adopted career planning to the employees.

Management Support

In this section researcher review the statistics of Mean and Std. Deviation for the four management support factors which motivate the employees of according to 5-point Likertscale interval, from which (strongly disagree and disagree) classified as low level with mean score < 2.5, (neutral) classified as a moderate with mean score [2.00:3.00] and (agreeand strongly agree) classified as a high level with mean score > 3.00.

Table 9
Management Support

Statements	N	Mean	SD	Rank
My managers provides valuable support through trainingand guidance whenever I need one.	200	3.22	1.31	1
Managers has devolved powers to the lowest unit atmy workplace	200	3.11	1.36	2
I am able to contact senior management or work hand inhand with my superior at the workplace	200	3.00	1.30	3
Senior management gives staff a clear picture of thedirection in which the organization is headed hence motivating me to work	200	2.87	1.38	4

Note: From Survey 2022

Table 9 indicates the number greater than 3, i.e., agree. It indicates that the four statements on management support factors on employee motivation, respondents are agreed. The meanvalue for first, second, third and fourth statement on management support were 3.22, 3.11, 3.00 and 2.87 respectively. It indicates that sample respondents were agreed with the statements that management support factors have a great impact on employee motivation. Therefore, the study suggests that the organization management should support their employees.

Employee Motivation

In this section researcher review the statistics of Mean and Std. Deviation for the four-employee motivation of according to 5-point Likert scale interval, from which (strongly disagree and disagree) classified as low level with mean score < 2.5, (neutral) classified asa moderate with mean score [2.00:3.00] and (agree and strongly agree) classified as a highlevel with mean score > 3.00.

Table 10

Employee Motivation

Statements	N	Mean	SD	Rank
Performance planning of my organization is better whichmotivate me to do my task more accurately	200	3.82	1.08	1
Management support of my company is very good whichmotivate me to do my job with more energy.	200	3.76	1.05	2
Performance monitoring system of my company is good enough which drive me to do my job as required for my company.	200	3.68	1.20	3
The career planning is attractive in my company whichmotivate me to do my job with more energy.	200	3.37	1.32	4

Note: From Survey 2022

Table 10 indicates the number greater than 3, i.e., agree. It indicates that the four statementson employee motivation, respondents are agreed. The mean value for first, second, third andfourth statement on employee motivation were 3.82, 3.76, 3.68 and 3.37 respectively. It indicates that sample respondents were agreed with the statements on performance appraisalwhich impact on employee motivation.

4.1.7 Correlation Analysis

A correlation matrix is a table showing correlation coefficients between variables. Each cell in the table shows the correlation between two variables. A correlation matrix is usedto summarize data, as and input into a more advanced analysis, and as a diagnostic for advanced analyses. A correlation matrix is simply a table which displays the correlation coefficients for different variables. The matrix depicts the correlation between the all the possible pairs of values in a table. It is a powerful tool to summarize a large data set and to identify and visualize patterns in the given data. A correlation matrix consists of rows and columns that show the variables. Each cell in a table contains the correlation coefficient. Table 11 shows the correlation between the dependent variable and independent variable which was used under the study. Employee motivation is a dependentvariable and performance planning, performance monitoring, rewarding performance, succession planning and management support the performance appraisal dimension are independent variables. The Table 11 examine the how perfectly correlated a performance appraisal dimension with employee motivation under the study.

Table 11
Correlation Analysis

		Employee Motivation	Performance Planning	Performance Monitoring	Rewarding Performance	Succession Planning	Management Support
Employee Motivation	Pearson Correlation	1	-	-	-	-	-
			.-	-	-	-	-
			-	-	-	-	-
Performance Planning	Pearson Correlation	.498**	1	-	-	-	-
		(.000)		-	-	-	-
				-	-	-	-
Performance Monitoring	Pearson Correlation	.557**	.907**	1	-	-	-
		(.000)	(.000)		-	-	-
					-	-	-
Rewarding Performance	Pearson Correlation	.519**	.958**	.899**	1	-	-
		(.000)	(.000)	(.000)		-	-
						-	-
Succession Planning	Pearson Correlation	.482**	.945**	.894**	.938**	1	-
		(.000)	(.000)	(.000)	(.000)		-
							-
Management Support	Pearson Correlation	.426**	.884**	.854**	.889**	.892**	1
		(.000)	(.000)	(.000)	(.000)	(.000)	

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

Table 11 shows the correlation relationship between employee motivation with different other performance appraisal variables, i.e. performance planning, performance monitoring,rewarding performance, succession planning and management support. The correlation between employee motivation and performance planning was positively correlated (0.498)in positive direction which is moderate degree of correlation. Positive correlation coefficients indicate a direct relationship, indicating that as increasing performance planning the level of employee motivation also increases. Similarly, the correlation between employee motivation and performance monitoring is also positively correlate, i.e. (0.557) which indicates that the increase in performance monitoring a performance appraisal dimension will increase employee motivation. Correlation between employee motivation and rewarding performance was positively correlate, i.e. (0.519)

which the result can consider as rewarding performance and employee motivation are simultaneously, which means the increase the rewarding performance dimension, the employee motivation also increased. Employee motivation and succession planning dimension is moderately correlated (0.482) in positive direction. It means we should consider about succession planning dimension and employee motivation are simultaneously. Similarly, the management support and employee motivation also have positive correlation, i.e. (0.426) which shows the moderate association between management support and employee motivation. The Sig. (2-Tailed) value in Table 4.11 forperformance planning, performance monitoring, rewarding performance, succession planning and management support is 0. This value is less than .05. Because of this, it can conclude that there is a statistically significant correlation between employee motivation and performance planning, performance monitoring, rewarding performance, succession planning and management support.

4.1.8 Regression Analysis

Regression is based on the statistical principle of multivariate statistics, which involves observation and analysis of more than one statistical outcome variable at a time. In designand analysis, the technique is used to perform trade studies across multiple dimensions while considering the impact of all variables on the responses of interest. In statistics, the coefficient of determination, denoted R^2, is used in the context of statistical models whosemain purpose is the prediction of future outcomes on the basis of other related information.R^2 is most often seen as a number between 0 and 1, used to describe how well a regressionline fits a set of data. An R^2 near 1 indicates that a regression line fits the data well, while an R^2 close to 0 indicates a regression line does not fit the data very well. Adjusted R^2 is used to compensate for the addition of variables to the model. As more independent variables are added to the regression model, unadjusted R^2 will generally increase but therewill never be a decrease. This will occur even when the additional variables do little to helpexplain the dependent variable. To compensate for this, adjusted R^2 is corrected for the number of independent variables in the model. The result is an adjusted R^2 than can go upor down depending on whether the addition of another variable adds or does not add to the explanatory power of the model. Adjusted R^2 will always be lower than unadjusted. The results of the ANOVA are presented in an ANOVA table. This table contains columns labeled "Source", "SS or Sum of Squares", "df - for degrees of freedom", "MS - for mean square", "F or F-

ratio", and "p, prob, probability, sig., or sig. of F". The t-test tells us if thevariation between two groups is "significant". In general, the purpose of analysis of variance (ANOVA) is to test for significant differences between means. Generally, the level of significant is taken "1 percent", "5 percent" and, "10 percent".

Table 12
Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.580[a]	.336	.319	.65833

a. Predictors: (Constant), Performance Planning, Performance Monitoring, Rewarding

Performance, Succession Planning and Management Support

Table 12 depicts that dependent variable is employee motivation and independent variables used in the model are performance planning, performance monitoring, rewarding performance, succession planning and management support. The table shows that the adjusted R square is 31.9 percent. The regression result from adjusted R square indicates that 31.9 percent of the variation in employee motivation is determined by these independent variables, i.e., performance planning, performance monitoring, rewarding performance, succession planning and management support. This shows that dependent variable (Employee Motivation), 31.9 percent explained by the independent variables usedin this study and rests are explained by other variables which was not included in this study.

Table 13
ANOVAª

	Model	Sum of Square	df	Mean Square	F	Sig.
1	Regression	42.584	5	8.517	19.651	.000ᵇ
	Residual	84.080	194	433		
	Total	126.664	99			

a. Dependent Variable: Employee Motivation

b. Predictors: (Constant), Performance Planning, Performance Monitoring,

c. Rewarding Performance, Succession Planning and Management Support

In the ANOVA table 13, it is clear that 24 observations are used in the model and dependentvariable is employee motivation and independent variables are performance planning, performance monitoring, rewarding performance, succession planning and management support. Also, the f-static is significant at the level of 1 percent which means that the independent variable is able to explain the dependent variable. Therefore, from the overallmodel which is determined by the F-statistical probability zero leading to the rejection of the null and indicates that the overall model is significant at the level of 1 percent.

Table 14
Coefficientsª

		Unstandardized Coefficient		Standardized Coefficients		
	Model	B	Std. Error	Beta	t	Sig.
1	(Constant)	2.167	.172		12.611	.000
	Performance Planning	-.133	.196	-.160	-.676	.500
	Performance Monitoring	.520	.124	.620	4.185	.000
	Rewarding Performance	.377	.180	.469	2.093	.038
	Succession Planning	-.097	.168	-.117	-.577	.564
	Management Support	-.239	.122	-.274	-1.966	.051

• Dependent Variable: Employee Motivation

Table 14 shows that performance planning, succession planning and management supporthave negative relation with the dependent variable employee motivation and indicates statistically that when the performance planning, succession planning and

management support was increased for its then the employee motivation level of a company will be decrease. The relation is inappropriate for the reality. In the same way performance monitoring has the positive relation with the employee motivation and it is statistically significant because its significance value is lower than 0.05. Rewarding performance has a positive relation with employee motivation and also statistically significant because the p value for this dimension is lower than 0.05.

4.2 Discussions

The study aimed at establishing the impact of performance appraisal on employee motivation at the Accessible ICT Pvt. Ltd. Findings and results were found to be in line with the literature review. The results have indicated that performance appraisal provides greater objectivity and fairness in making judgments and decisions about the employees in the organization as stated by Williams (2004) who feels that appraisal of performance concerns creating conditions where employees share organization goals and help to people to understand their input to those goals. The respondents have shown from the findings regularizing the procedures in evaluating and updating information about performance appraisal to subordinates was key in its successful implementation as pointed out who asserted that maintaining performance management performance appraisal must be entailed and supported by entire management in realizing organizational competitive edge.

The study also established that uniformity and fairness is required conducting performance appraisal as this provides equality as argued in the literature by (Kandula, 2008). Performance assessment provided a rationale for various employee decisions. The findings also reveal that performance monitoring ensures that no employee's talents, abilities and potentials are overlooked. According to Jones & George (2008) motivation elucidates how employees behave during the working process and the number of their efforts, otherwise speaking how it enhances employees' performance. In general, motivation affects employees to achieve their goals and leads them towards set objectives. Thus, employees can be considered motivated if they have clearly set goals and doing their best to achieve them (Glinow & McShane, 2003).

According to the descriptive results, it can be concluded that performance planning has a significant impact on employee motivation. The majority of respondents believe that performance planning has a significant impact on employee motivation. The majority

of sample respondents agreed with the assertions that variables affecting performance monitoring have a significant influence on employee motivation. Sample respondents wereagreed with the statements that rewarding performance factors have a great impact on employee motivation. The majority of sample respondents agreed with the assertions that variables affecting succession planning have a significant influence on employee motivation.

The majority of sample respondents agreed with the assertions that variables such as managerial support have a significant influence on employee motivation. Performance planning, succession planning and management support have negative relation with the dependent variable employee motivation and indicates statistically insignificant. This indicates that when the performance planning, succession planning and management support was increased for its then the employee motivation level of a company will be decrease. The relation is inappropriate for the reality. In the same way performance monitoring has the positive relation with the employee motivation and it is statistically significant because its significance value is lower than its significance level. Rewarding performance has a positive relation with employee motivation and also statistically significant because the p value for this dimension is lower than significance level. The result is consistent with the empirical findings of (Lee, 2019).

Moreover, according to Werner and DeSimone (2008) top performers in the organizationswon't do their best until they are motivated. Consequently, in terms of organizational development, understanding of employees' motivation appears to be one of the keyelements of work effectiveness. The term motivation arose in the early 1880's; before thattime the term "will" was used by philosophers as well as social theorists when discussing effortful, directed and motivated human behavior (Forgas et. al. 2005). (Seligman, (2002) refers to intrinsic motivation of employees by distinguishing three kinds of work orientation: a job, a career and a calling; a job has the lowest level of commitment (mostlyextrinsically motivated) and a calling the highest level (a combination of high intrinsic andextrinsic motivation). Seligman explains that the part of what turns a job into a calling is the state known as flow; in other words, flow has a mediating function.

CHAPTER V
SUMMARY AND CONCLUSION

5.1 Summary

The study was on the impact of performance appraisal on employee motivation in an IT sectors. On the basis of the gender, the study showed that the mix of gender between maleand female were about equal with female respondents representing 47.5 percent of the sample, while male respondents represented 52.5 percent of the sample. On the basis of age distributionof respondents, the majority of the respondents were of the age group 26-35 representing 43.5 percent of the respondents, while the least representation came from the age group 18-25 representing 8 percent. When viewed from the perspective of qualification, majority of respondents were from certificate and bachelor's degree representing 28 percent and 27.5 percent respectively. Similarly, based on experience levels, the respondents representing less than5 years and more than 5 years of experience were the majority representing 45.5 percent and 33.5 percent of the sample each, while the least experience was 15years and above representing 5.5. Individual behavior is determined by these influences, which in turn impact the individual's output. Compared to those who are not driven, individuals who are motivatedput out more effort to complete a task. In other words, each and all possible stimuli, whetherphysical or psychological, with which we come into contact cause a response inside ourselves or throughout the whole organization.

The researcher aimed to know the impact of performance appraisal on employee motivation at the IT sectors. Descriptive and analytical research design was used and primary data was collected from 200 employees of IT sectors. Inferential statistics was done on the variables. Both qualitative and quantitative research methods through semi-structured interviews and close ended questionnaires were analyzed to get an in-depth viewabout the problem. Performance rating was not based on how well employees were doing,the managers did not discuss regularly with employees about job performance, and most of the recent rating of the employees received were not based on their activities at work time, performance appraisal processes were not encouraging employees of IT employees.

To sum up, the chosen quantitative method of research is completely on par with the study. It is documented by the many provisions. The mathematical study of the set

hypotheses through the use of statistical tools what provides the precise measurements and allows analyzing the data without subjectivity are significant elements of quantitative research inthe context of data gathering instrument and approach.

5.2 Conclusion

In light of the results and discussions, the AICT decided to use performance evaluation as a tool for encouraging its personnel. In order to connect compensation to performance, a complete performance evaluation policy must be developed since the existing policy leaves space for improvement when it comes to dealing with underperformers. In order to managepoor performance, feedback is required throughout the appraisal period, and it is necessaryto investigate what employees require in order to overcome problems with their performance; and, of greater importance, how management can assist and support the employees and the organization as a whole is examined.

The research also found that a performance assessment system gives workers with self-ratings as well as performance criteria, and that this is beneficial. A good performance management system establishes behavioral norms. Both behavioral and results outcomes should have been considered throughout the performance planning phase in order to guarantee that continuous feedback is provided during the performance evaluation process.In conclusion, performance management, succession planning, and management support have a negative relationship with the dependent variable employee motivation, with the relationship being statistically insignificant for all three variables.

Employee motivation levels will fall when performance management, succession planningand managerial assistance are raised in an organization, as seen by the data presented above. The relationship is out of sync with the facts of life. Additionally, performance monitoring has a positive relationship with employee motivation, and it is statistically significant since the significance value is lower than the significance threshold. Rewarding performance has a positive relationship with employee motivation, and this relationship isstatistically significant since the p value for this dimension is lower than the threshold for statistical significance.

5.3 Recommendations.

From the findings and conclusion of the study the following implications were made:

- The company should give orientation for employees about the purpose of performance appraisal process. Because if employees know about the purpose of performance appraisal, they inform its administrative purpose of the performance appraisal such as basis his/her promotion, pay increase, transfer or reassignment, and termination. Also performance appraisal used as individual's improvement or developmental purpose.

- Effective feedback and communication was essential when conducting performance appraisal process. The findings of the study highlight ways of improving performance appraisal, communication and feedback ensures that employees being assessed are given information about their performance. Communication that lacks clarity and focus doesn't discussion of staff performance this leads to problems in motivation in places of work. For prevention of performance related issues, managers have to communicate vision, mission and objectives of the organization to ensure employees understand their performance goals.

- Training is key ingredients as it enables employees to acquire relevant skills. It also enables one to be conversant with current challenges in one's line of duty. Respondents indicated that training was important as its purpose was to improve morale. Skills will be expanded through training where staff responsibilities can be enhanced and they rely less on management in decision making. Specific skills related to performance appraisal do not necessarily limit work related flexibility. Staffs who received such targeted training always improve on setting of annual targets, drawing of individual work plans, communication skills, professionalism, conscientiousness and creativity and innovation.

- The future research study should target at least three larger Government ministries and a different research design should be used to establish the effect and relationship of performance appraisal with other variables such as employee engagement, employee commitment and morale. Future studies should have a larger sample size compared with this research study.

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Appendix: I

Questionnaire on
"Impact of Performance Appraisal on
Employee Motivation in IT Sector Companies"

Dear Sir/Madam

This study will examine the impact of performance appraisal on IT staff motivation. The data or information acquired this way will be used in my thesis, which I'm writing for my MBS at Tribhuvan University. All those concerned should learn more about performance appraisal and its impact on employee motivation from this research. Your prompt and reliable responses will enable the timely completion of this thesis and raise the study's relevance, both of which will be substantially benefited.

Regards

Sushma Shrestha

Peoples Campus

Part A: General Background

1. **Gender**
   - Male
   - Female

2. **Age Group**
   - 18-25
   - 26-35
   - 36-45
   - 46 and above

3. **What is the highest degree or level of education you have completed?**
   - Master's Degree
   - Bachelor's Degree
   - Higher Diploma
   - Diploma
   - Certificate

4. **How long have you worked in IT Sector?**
   - 0-5 Year
   - Five to Ten Years
   - Ten to Fifteen Years
   - More than Fifteen Years

Part B: Statement on Impact of Performance Appraisal on Employee Motivation in IT Sector Companies

Below are some of the possible factors that might impact the employee motivation by performance appraisal. To what extend do you get agree with the below factors.

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

Statements	1	2	3	4	5
(A) Performance Planning					
A1 — My organization set clear objectives and I work towards their achievement					
A2 — My performance expectations are usually defined in my individual work plan and job description					
A3 — I adhere to realistic work plans and time tables established by my supervisor, department and organization					
A4 — I improve the quality of work through better planning, on-going discussions and fair participatory appraisal					
(B) Performance Monitoring					
B1 — There is feedback on my performance as an employee					
B2 — My work environment is friendly and helps me work effectively					
B3 — Progress reviews are conducted to compare the predetermined standards of employees					
B4 — My individual performance has link with organizational performance					
(C) Rewarding Performance					
C1 — The rewards offered motivates me to work hard and enhances my productivity					
C2 — The performance is linked to employee reward and compensation					
C3 — My organization has a framework to reward excellent performance and/or salary increase decisions					
C4 — Organization compensation policy attracts and retains employees					

	(D) Succession Planning					
D1	Considering the importance of career planning for our company, our company feel that it helps the organization expand and thrive.					
D2	In every area, our company works to build career pathways and employment families that are mutually beneficial.					
D3	Our company has strategies for the development and advancement of our employees.					
D4	Our company provides career counselling services on regular time basis.					
	(E) Management Support					
E1	My manager provides valuable support through training and guidance whenever i need one.					
E2	Managers has devolved powers to the lowest unit at my workplace					
E3	I am able to contact senior management or work hand in hand with my superior at the workplace.					
E4	Senior management gives staff a clear picture of the direction in which the organization is headed hence motivating me to work.					
	(F) Employee Motivation					
F1	Performance planning of my organization is better which motivate me to do my task more accurately					
F2	Performance monitoring system of my company is good enough which drive me to do my job as required for my company					
F3	Management support of my company is very good which motivate me to do my job with more energy.					
F4	The career planning are attractive in my company which motivate me to do my job with more energy.					

Thank You!