



The effect of performance appraisal on employee motivation at PACRA in Lusaka

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Abstract

The study investigated the impact of performance appraisal on employee motivation at PACRA, Lusaka. Hence, the purpose of this study was to analyse the effect of performance appraisal on employee motivation at PACRA in Lusaka. It employed a mixed research approach, collected data from 114/118 participants, analysed it using SPSS and Excel, and ensured reliability and ethics. The findings indicate that employees' trust in PACRA's PA system's rationality and fairness varies, with 37.50% neither agreeing nor disagreeing, 27.10% disagreeing, 25.0% agreeing, and 6.30% strongly agreeing. Key informants emphasize the role of the supervisor's objectivity in determining fairness. Additionally, 45.83% of respondents express satisfaction with the current reward system linked to performance appraisal, particularly among those with 7 to 9 years of service. Performance gaps are identified for appropriate training programs for most employees, indicating the effectiveness of the PA system in this regard. Effective performance appraisal (PA) systems significantly impact employee motivation. While positive aspects include competent appraisers, supportive supervisors, and two-way communication, mistrust in the PAS remains a concern. The study offers recommendations to enhance the PACRA PA system and boost employee motivation. Firstly, improving consistency in performance feedback for all employees can enhance fairness perceptions. Conducting comprehensive fairness evaluations, including soliciting employee feedback and conducting audits, is advised. Building trust and transparency through clear communication and fairness measures is crucial. Encouraging employee participation in setting objectives and shaping the PA system is recommended. Capitalizing on the existing reward system linked to performance appraisal and effectively identifying and addressing performance gaps through targeted training can further motivate employees. For future studies, it is suggested to explore how a well-functioning PA system can enhance service delivery and reduce employee turnover. Additionally, analysing the policy changes leading to the PA system's implementation would provide a comprehensive understanding of its organizational impact.

Keywords: Effect, performance appraisal, employee, motivation, PACRA, Lusaka

Introduction

The background provided in this section delves into the intricate relationship between performance appraisal (PA) and employee motivation, which constitutes a subject of profound interest among researchers and Human Resource Management (HRM) practitioners within the domain of Performance Management (PM). Performance management, as articulated by Armstrong and Baron (2005), represents a meticulously planned process that aspires to amplify and sustain organizational productivity through the development of the competencies and abilities of both teams and individual employees. At the heart of this performance management framework lies the pivotal element of Performance appraisal (PA). PA, elucidated by Ndegwa (2018, citing Byars and Rue, 2010) ^[38], encompasses a multifaceted process encompassing the establishment of performance benchmarks, the evaluation of employee performance vis-à-vis these benchmarks, the provision of constructive feedback, and the formulation of strategies for performance enhancement. While it is widely recognized that PA, when thoughtfully executed, has the potential to engender improved employee performance, it is equally apparent that its mishandling can precipitate a decline in employee motivation.

Employee motivation, in the scholarly discourse articulated by Wolff and Gunkel (2007), epitomizes the willingness to invest substantial effort in the pursuit of organizational objectives, a commitment intrinsically intertwined with the

extent to which these exertions cater to individual needs and aspirations. This intricate relationship

Underscores the pivotal role played by Performance appraisal (PA) in the sphere of employee motivation, as it exerts a profound influence on the productivity levels and contentment of employees. Recognizing the transformative potential of PA, Yee and Chen (2009) aptly acknowledge its function as a potent motivator, chiefly achieved through the provision of insightful feedback on employee performance, the cultivation of heightened productivity, and the mitigation of operational inefficiencies within organizational frameworks. Against the backdrop of the contemporary business landscape, characterized by the imperatives of achieving organizational goals while upholding competitiveness through the realization of superior employee performance (Chen and Eldridge, 2012) ^[13], the importance of effective performance appraisal systems assumes heightened relevance.

Nevertheless, it is essential to acknowledge the divergence of perspectives that surround the efficacy of performance appraisals. As elucidated by Herman (2020), while there exists a consensus among researchers that performance appraisals exert a positive impact on employees, a contrarian viewpoint persists. Some contend that these appraisal systems are antiquated, inequitable, disruptive, overly simplistic, subjective, or unduly harsh. This spectrum of opinions accentuates the enduring relevance of investigations into the effect of performance appraisal on employee

motivation, particularly within the purview of both the private sector and government institutions. Against this backdrop, this research takes on particular salience within the context of the Patents and Companies Registration Agency (PACRA), where the motivation of employees stands as a pressing and indispensable concern.

Background

Performance management, as described by Armstrong and Baron (2005), is a deliberate process aimed at enhancing and sustaining organizational productivity by developing the skills of both teams and individual employees. A pivotal component of performance management is Performance appraisal (PA). PA, defined by Ndegwa (2018, citing Byars and Rue, 2010) ^[38], involves setting performance standards, evaluating employee performance against these standards, providing feedback, and devising plans for performance improvement. Generally, when implemented effectively, PA can lead to improved employee performance, but if handled poorly, it can result in decreased employee motivation.

Employee motivation, according to Wolff and Gunkel (2007), refers to the willingness to exert significant effort to achieve organizational goals, influenced by the extent to which such efforts satisfy individual needs. Consequently, it can be emphasized that Performance appraisal (PA) plays a substantial role in motivating employees due to its impact on employee productivity and satisfaction levels. Yee and Chen (2009) acknowledge that PA can serve as a motivator by offering feedback on employee performance, stimulating increased productivity, and minimizing inefficiencies within organizations. The importance attributed to performance appraisal systems partly arises from the contemporary business environment, characterized by the necessity to achieve organizational goals, and maintain competitiveness through superior employee performance (Chen and Eldridge, 2012) ^[13].

However, it is essential to note that there exist varying opinions about the effectiveness of performance appraisals. As Herzberg 1968 ^[24] points out, while many researchers generally agree that performance appraisals have a positive impact on employees, there are also contrasting views that consider them outdated, unfair, disruptive, overly simplistic, subjective, or harsh. This divergence in opinions underscores the ongoing relevance of researching the effect of performance appraisal on employee motivation, particularly in both the private sector and government institutions. This research is particularly pertinent at the Patents and Companies Registration Agency (PACRA), where the motivation of employees is a topical and necessary concern.

Historical Background of PACRA

The historical background of the Patents and Companies Registration Agency (PACRA) provides essential context for understanding the organization's operations and its approach to performance appraisal and employee motivation.

Establishment and Legal Framework

PACRA was established as a statutory body under the Ministry of Commerce, Trade, and Industry in accordance with the Patents and Companies Registration Agency Act No. 15 of 2010. This legislative framework outlined the agency's primary mandate and operational responsibilities. The Act provided PACRA with the legal authority to administer and regulate various aspects of business and intellectual property

registration, reflecting the government's commitment to creating a conducive environment for business and intellectual property development in Zambia.

Core Functions

The core functions of PACRA, as stipulated in the Act, encompass two critical areas:

Business Registration: PACRA is responsible for facilitating the registration of various types of businesses, including companies, partnerships, and sole proprietorships. This function plays a pivotal role in formalizing businesses, enhancing their legal status, and contributing to economic growth and job creation.

Intellectual Property Registration: PACRA is also tasked with managing and safeguarding intellectual property rights. This includes registering patents, trademarks, copyrights, and other forms of intellectual property. By protecting intellectual property, PACRA supports innovation, creativity, and the growth of industries reliant on intellectual assets.

Additional Responsibilities

Beyond its core functions, PACRA also manages the movable assets' collateral registry, which is crucial for facilitating access to credit and financial services by allowing businesses to use movable assets as collateral for loans. Moreover, PACRA accredits insolvency practitioners, contributing to the orderly resolution of financial distress cases.

Organizational Culture and Values

PACRA places a significant emphasis on fostering a conducive work environment that values the talents and abilities of its employees. This organizational culture is characterized by openness, cooperation, and dynamism. The agency recognizes that its workforce plays a pivotal role in achieving its mission and strives to create conditions where both employees and the organization can thrive.

Role of Human Resource Management (HRM)

HRM is a key component of PACRA's competitive advantage. The HRM function at PACRA is instrumental in providing support to fulfil the agency's mission, which revolves around providing customer-focused, efficient, and effective business registration services and safeguarding intellectual property rights to promote orderly trade, job creation, and industrialization for the benefit of the nation.

Performance Appraisal in PACRA

Within the context of this historical background, performance appraisal takes on a particular significance. PACRA recognizes that evaluating employee performance is a crucial determinant of organizational justice, facilitating improved performance and the achievement of set objectives. The agency's Performance Appraisal System is designed with several specific objectives in mind:

Fostering Communication: It aims to enhance communication between employees and their supervisors, ensuring that there is an open channel for discussing performance-related matters.

Candid Performance Discussions: The system encourages candid discussions about performance and provides employees with the opportunity to discuss their career prospects.

Identifying Training Needs: Through performance appraisal, PACRA can identify areas where employees require additional training and personal development, thereby enhancing their skills and competencies.

Coaching and Counselling: It provides a platform for coaching and counselling, allowing employees to receive guidance and support for improving their performance.

Challenges and Opportunities: Performance appraisal helps in identifying challenges and opportunities for enhancing performance, ensuring that the organization can adapt and thrive in a dynamic environment.

Confirmation and Rewards: It plays a role in determining the suitability of employees for confirmation after a probationary period and deciding appropriate rewards for outstanding performance.

Statement of the Problem

PACRA has introduced a performance appraisal system that assesses individual employee performance annually. While performance appraisal is intended to support recruitment, staff development, and motivate high-quality human resources through fair reward systems (Lillian, Mathooko, and Sitati, 2011), some employees at PACRA perceive the current system as mere formalities. Observations reveal inconsistencies in providing feedback and opportunities related to promotion, recognition, rewards, training, and career development. These complications challenge the effectiveness of performance appraisal, aligning with Kurt's (2004) assertion that managers are often disappointed in these systems. Before implementing the Performance Appraisal System, PACRA faced challenges such as unclear employee expectations, inefficient feedback mechanisms, inadequate recognition and rewards, difficulty in identifying training needs, and limited employee data (PACRA, 2020). However, after implementation, PACRA experienced positive changes, including data-driven decision-making, improved performance expectations, enhanced feedback structures, increased training and career development opportunities, and rewards (PACRA, 2020). These positive outcomes make it highly relevant to analyze the impact of performance appraisal on employee motivation at PACRA in Lusaka.

Objectives of the research

General Objective

To analyse the effect of performance appraisal on employee motivation at PACRA in Lusaka.

Specific Objectives

- To assess the perception of employees at PACRA regarding the fairness of the PA system.
- To examine the impact of the PA system on employee motivation at PACRA.
- To identify factors that could enhance performance appraisal to improve employee motivation at PACRA.

Significance of the study

The study will provide valuable insights for management and stakeholders at PACRA on the effects of the PA system on employee motivation. The findings are expected to lead to improvements in the existing PA system, benefiting employees. Additionally, the study contributes to the existing literature on the relationship between performance appraisal and employee motivation.

Literature review

Theoretical Review

Expectancy Theory of Motivation: Expectancy Theory, as proposed by Victor Vroom, suggests that individuals are motivated by the expectation that their actions will lead to desirable outcomes. It is based on three key concepts:

Expectancy: This is an individual's belief that a specific behaviour will lead to a desired outcome (Vroom, 2006). At PACRA, this theory can help employees assess whether their skills align with the organization's expectations for accurate work performance. If expectations are unrealistic, motivation may decline.

Instrumentality: This concept concerns the expectation of rewards for performance. Employees at PACRA may be motivated to engage in tasks that offer greater rewards or opportunities for growth (Salaman *et al.*, 2005). The theory posits that employees will put in effort equal to what they expect to receive in return.

Valence: Valence measures the significance of the rewards employees receive for their performance. At PACRA, employees evaluate rewards based on their individual needs, values, and goals (Eisenberger *et al.*, 1990). The theory is applicable in various aspects of employment, from recruitment to identifying motivators for individual employees.

Expectancy Theory helps identify determinants of behaviour outcomes and can be applied to various aspects of organizational processes, including employee training, performance assessment, and understanding the factors that motivate employees.

Herzberg's Two-Factor Theory: Herzberg's theory divides factors influencing employee motivation into two categories:

Hygiene Factors: These factors, including company policies, supervision, job security, working conditions, and salary, primarily prevent job dissatisfaction when they are insufficient. However, their presence does not necessarily motivate employees (Gawel, 1997).

Motivators (Satisfiers): Motivators, such as recognition, meaningful work, responsibility, growth, and advancement, lead to job satisfaction and long-term positive effects on performance. The absence of motivators may not necessarily cause dissatisfaction but can result in a lack of motivation (Loiseau, 2011).

Herzberg's Two-Factor Theory can be applied at PACRA to understand what aspects of the work environment contribute to employee satisfaction and motivation. It emphasizes that improving employee motivation goes beyond addressing dissatisfaction (hygiene factors) and requires focusing on factors that actively motivate individuals.

Performance Appraisal Concepts: Performance appraisal is the process of evaluating and assessing employee performance in an organization (Carrol and Scheider, 2012). It serves several purposes, including decision-making regarding promotions, feedback, and communication between employers and employees. Additionally, it plays administrative, informative, and motivational roles within the organization.

Administrative Role: Performance appraisal helps in making decisions related to promotions, demotions, and rewards. It also facilitates the distribution of resources within the organization.

Informative Role: It provides essential data about employees' strengths and weaknesses, helping in identifying training needs and improving performance.

Motivational Role: Performance appraisal can create a learning environment that motivates employees to improve their performance (McGregor, 2010).

The process of performance appraisal involves various steps, such as setting performance criteria, selecting appraisal methods, collecting performance data, conducting interviews, and evaluating the appraisal process. The choice of appraisal method, fairness, and accuracy are crucial factors in the success of the performance appraisal process.

Performance Appraisal Methods/Types: Performance appraisal methods are diverse and can vary depending on the organization's size and nature. Some common methods include:

360-Degree/Multi-Rater Appraisal: This method gathers feedback from various sources, including superiors, peers, subordinates, and self-assessment. It provides a comprehensive view of an employee's performance but can be complex to implement (Lepsinger and Lucia, 2019).

Management by Objectives (MBO): MBO involves setting clear objectives for employees, creating action plans, and monitoring goal attainment. It emphasizes objective assessment but may not capture all aspects of performance (Choon and Embi, 2012) ^[14].

Graphical Rating Scales: This method uses rating scales to assess various aspects of employee performance. While it is widely used, it may lack specificity and can lead to subjectivity in evaluations (Wirtz, 2004) ^[42].

Each method has its advantages and limitations, and the choice of method should align with the organization's goals and the specific aspects of performance being evaluated.

Employee Motivation Concepts: Employee motivation refers to the internal and external factors that drive individuals to exert effort and achieve organizational goals (Qureshi, 2013). Motivation can be categorized into intrinsic and extrinsic factors:

Extrinsic Motivation: These factors, such as rewards, recognition, job security, and working conditions, are provided by the organization. They influence employee motivation but may not be directly controlled by individual managers (Miao, Evans, and Shaoming, 2007) ^[35].

Intrinsic Motivation: Intrinsic factors include personal fulfilment, self-actualization, and increased responsibility. They contribute to an employee's internal drive to perform well (Rasu, 2014).

Motivation is a critical determinant of job satisfaction and performance, linking individual and organizational success. It is influenced by a variety of factors, and understanding these factors is essential for effective management.

In conclusion, the concepts of performance appraisal and employee motivation are interconnected and play crucial roles in organizational success. The theories and methods discussed provide valuable insights into understanding and managing these aspects in the context of PACRA and other organizations. Effective performance appraisal and motivation strategies can lead to improved employee performance and job satisfaction, ultimately benefiting the organization.

Empirical Literature Review

The empirical literature review in this study focuses on the effects of performance appraisal on employee motivation at PACRA. It covers various aspects related to performance appraisal and its impact on employee motivation, with a particular emphasis on perceived fairness. Here is a summary of the key findings and themes from the literature review:

Perceived Fairness of Performance Appraisal

Procedural justice and distributive justice are two approaches used to assess the fairness of performance appraisal systems. Procedural justice relates to the perception that the evaluation process is fair, while distributive justice concerns whether the outcomes of appraisal are perceived as equitable (Ndegwa, 2018) ^[38].

Employee perceptions of the fairness of performance appraisal are closely linked to their satisfaction with the system. Many employees perceive performance appraisal systems as neither accurate nor fair (Bretz, Mikovich, and Read, 2012).

Factors such as soliciting employee input, two-way communication during performance interviews, and the ability to challenge performance ratings contribute significantly to the perceived fairness of the appraisal system (Greenberg, 1986).

Participative performance appraisal methods are often considered fairer by both ratees and raters (Lovrich *et al.*, 1980).

Leadership credibility of immediate supervisors plays a significant role in how employees perceive the fairness of performance appraisal systems (Gabris and Ihrke, 2010).

Impact on Employee Motivation:

When performance appraisals are perceived as biased or unfair, employees may consider leaving the organization (Nadeem Iqbal *et al.* (2013) ^[37].

Employees' perception of an unfair work environment, including inequitable performance appraisals, negatively correlates with job satisfaction (Kamiti R. K (2014) ^[28],

Raters' mood and interpersonal influence can shape ratees' fairness perceptions of performance appraisals (Razzaq *et al.*, 2016) ^[39].

Cultural values and self-construal of raters can impact performance appraisal outcomes and fairness perceptions (Mishra and Roch, 2013).

Factors Influencing Fairness Perception:

Factors influencing fairness perception include frequency of evaluations, a formal system of appraisal, supervisor knowledge, opportunities

to appeal ratings, relevance of performance dimensions, and a cooperative organizational climate (Murphy and Cleveland, 1991) ^[36].

Managing perceived procedural fairness is crucial for enhancing intrinsic motivation, suggesting that employee perceptions of fairness play a significant role (Kim and Rubianty, 2011) ^[29].

Monitoring and Feedback: It is essential to monitor and control the performance appraisal system to ensure it remains responsive to organizational needs. This includes addressing rating biases and inconsistencies (Martin and Bartol, 2018). Traditional psychometric measures may not be sufficient to evaluate performance appraisal systems, and alternative methods for assessing accuracy and fairness should be considered (Murphy and Cleveland, 1991) ^[36].

Reactions to performance appraisal, such as satisfaction and fairness perceptions, are critical to the success of the appraisal system (Cardy and Dobbins, 1994) ^[9].

Flexibility and fairness in the performance appraisal system are essential for its success, as perceived inequity can lead to system failure (Wirtz, J. (2004) ^[42].

Employee Satisfaction and Organizational Effectiveness:

Clear ends and means for achieving fairness are crucial for employee satisfaction with performance appraisal systems (Cook and Crossman, 2014) ^[17].

Perceived fairness of performance appraisal is associated with higher levels of organizational commitment, productivity, and lower work withdrawals (Colquitt, 2001) ^[16].

The empirical literature review highlights the importance of perceived fairness in performance appraisal systems and its significant influence on employee motivation, commitment, and job satisfaction. The findings suggest that organizations, including PACRA, should pay close attention to the fairness of their performance appraisal processes to enhance employee motivation and overall organizational effectiveness.

Relationship of Performance Appraisal and Employee Motivation

Performance Appraisal (PAS) and motivation are closely linked, as scholars have emphasized. PAS plays a crucial role in enhancing organizational performance by boosting employee motivation, commitment, and job satisfaction (Jabeen, 2011; Singh and Rana, 2015; Saeed and Shah, 2016). Champonda (2014) underscores the significance of PAS in evaluating job performance and motivating employees. Performance appraisal is a key aspect of human resource management (HRM) (Selvarajan and Cloninger, 2008) and contributes to HRM effectiveness (Guest, 2017, cited in Selvarajan and Cloninger, 2012) ^[41].

PAS serves various purposes, including managerial decision-making, administrative decisions, employee development, and personnel research. Ivancevich's study (2017) highlights PAS's role in growth, enthusiasm, human resource planning, and employment planning. Malcolm and Jackson (2012) identify four benefits of PAS for organizations, including targeted training, promotion decisions, reward decisions, and improved employee retention. Empirical studies demonstrate a positive relationship between PAS and motivation.

Kominis and Emmanuel (2007) ^[30] assert that pay-for-performance, involving bonuses and pay increases, effectively motivates employees. Extrinsic motivators like money satisfy employees' needs and incentivize better performance. Jensen and Murphy (2014) link pay to performance through specific targets, which, when achieved, result in rewards. Performance appraisals facilitate bonus payments by setting performance thresholds. Boswell and Boudreau (2010) distinguish between evaluative and developmental functions of appraisals. Evaluative functions include salary administration, promotions, retention-termination decisions, and recognition of performance, while developmental functions involve identifying training needs and providing feedback.

Performance appraisals are also used for rewarding employees, including bonuses, promotions, and pay raises (Ushus and Johney, 2015). Malcolm and Jackson (2012) categorize PAS purposes into performance reviews, potential reviews, and reward reviews. Recognition of achievements through performance appraisals, involving non-monetary awards, is crucial for motivating employees (Brun and Dugas, 2018). Recognition encourages creative problem-solving skills and innovation (Grawitch, Gottschalk and David, 2006) ^[23].

However, recognition can lead to negative effects based on social comparison theory (Pearson and Porath, 2015).

Employees may react negatively when they witness others being recognized, creating a "winners and losers" atmosphere. Herzberg (1957) emphasizes the importance of using the appraisal system for both reward and recognition to effectively motivate employees. Performance appraisals also identify employee strengths and weaknesses (Jackson and Schuller, 2012).

Performance appraisals not only identify strengths but also help capitalize on them through support, while weaknesses are addressed through supervisory support (Sutton and Watson, 2013). Supportive supervisory behaviour, which encourages learning from mistakes, fosters creativity and innovation (Krause, 2014). Performance appraisal feedback is a common justification for implementing PA systems, providing employees with valuable information to enhance their future performance (Swan, 2012) ^[40]. Positive feedback motivates employees, while constructive criticism addresses deficiencies and encourages better performance (Cardy and Leonard, 2011).

Improving Performance Appraisal and Employee Motivation

Improving performance appraisal systems is essential for enhancing employee motivation. Moulder (2011) emphasizes the need to consider pay increases and promotions in the development of appraisal systems. Frequent promotions, supported by high-performance records, motivate employees (Prowse and Prowse, 2019; Macey *et al.*, 2019). Performance feedback, given verbally or in writing, should accompany pay increases or promotions (Dewhurst, K., Hersey, C. and Blanchard, V. (2010) ^[20]). However, after achieving a promotion, the lack of continued extrinsic incentives may lead to decreased productivity (Espinilla, M., Andres, R., Martinez, J. and Martinez, L. (2013) ^[22]).

The rewards system should identify employee strengths and weaknesses to enhance performance and include a career development plan for employees who fail to meet targets (Macey *et al.*, 2019; Bannister and Balkin, 2010). Reward systems should align with business objectives and clearly communicate employees' contributions (Schraeder, Becton, and Portis, 2017). Having well-defined goals and roles for employees is crucial (Mone and London, 2010).

Reward management includes coercive, remunerative, and normative approaches (Etzioni, 2015). Coercive methods involve job security, remunerative methods focus on financial rewards, and normative approaches align employee efforts with organizational goals (Randell, 2014). Performance-based pay, which shares organizational performance results with employees, is effective in increasing motivation (Swiercz, 2019; De Silva, 2018).

Non-monetary motivators, such as praise, opportunities to lead projects, and leadership attention, are also effective in enhancing motivation (Dewhurst, Hersey, and Blanchard, 2010; Odhiambo, 2015) ^[20]. These motivators signal that employees are valued and that their well-being, career development, and self-improvement are important to the organization. Recognition of achievements through performance appraisals is a motivating factor (Brun and Dugas, 2018).

Support provided after performance appraisals is crucial for motivation (Cory, Ward, and Schultz, 2017) ^[18]. Supportive supervisory behaviour encourages creativity and innovation by reducing the fear of punishment for deviating from routine behaviour (Krause, 2014). Performance feedback plays a

vital role in communicating expectations, motivating employees, and addressing deficiencies (Swan, 2012; Cardy and Leonard, 2011) [40].

In conclusion, improving performance appraisal systems by integrating feedback, rewards, recognition, support, and clear goals can effectively enhance employee motivation and ultimately contribute to organizational success.

Conceptual Framework

A conceptual framework was developed to illustrate the relationships between performance appraisal (independent variable) and employee motivation (dependent variable). This framework incorporated various factors like training, skills, attitudes, job satisfaction, career growth, remuneration, and non-monetary rewards (Figure1).

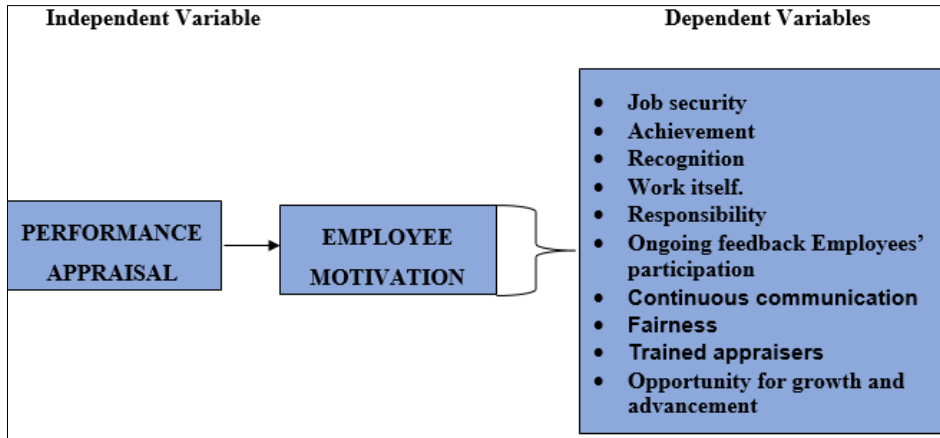


Fig 1: Conceptual Framework

Research methodology

Research Design: The study utilized a descriptive research design, focusing on observing and describing subjects' behaviour without influencing it. Additionally, it adopted a mixed research methodology, combining both qualitative and quantitative methods to gain a comprehensive understanding of the research question.

Study Population and Sample Size: The research targeted employees of the Patents and Companies Registration Agency (PACRA) in Lusaka, where the total employee population was approximately 167 individuals. A sample size of 118 participants was carefully selected to ensure accuracy and maintain a 95% confidence level.

Sampling Method: The study employed two sampling techniques: random and purposive sampling. Random sampling guaranteed equal and independent chances for participant selection, while purposive sampling identified individuals with pertinent information relevant to the study's objectives.

Types and Sources of Data: Both primary and secondary sources of data were utilized. Primary data was collected through questionnaires and in-depth interviews, while secondary data was gathered from existing literature such as books, articles, and reports related to the research topic.

Data Collection Instruments and Procedures: To collect data, the study employed two primary instruments: questionnaires and in-depth interviews. Questionnaires included structured and unstructured questions covering biographical, occupational, and perception-related aspects. In-depth interviews were conducted with key informants to obtain qualitative insights.

Data Analysis Techniques: Data analysis was conducted using software tools such as SPSS and Microsoft Excel for quantitative data, while thematic analysis was employed for qualitative data. Inferential analysis techniques, including Pearson's Correlation Analysis and Linear Regression Analysis, were used for quantitative data to identify relationships.

Reliability and Validity: Reliability was assessed using Cronbach's alpha method, indicating a high level of internal consistency in the questionnaire. Validity was ensured by aligning questionnaire items with existing literature and seeking input from professionals and academicians.

Ethical Considerations: Ethical approval was obtained from the University of Zambia's Research Ethics Committee and PACRA authorities. Informed consent was obtained from participants, assuring them of confidentiality and voluntary participation.

Results

Fairness of PA system at PACRA

Table 1: Perception of Regular and Timely Performance Feedback The table illustrates that employees with less than one year of service mostly agree or strongly agree that they receive regular and timely performance feedback. However, the chi-square analysis reveals that there is no statistically significant relationship between years in service and this perception ($X^2 = 14.4, p = 0.1$). While the relationship is not significant, it is noteworthy that a substantial proportion of employees perceive feedback as regular and timely.

Table 1: Perception of Regular and Timely Performance Feedback

Experience	Disagree	Neutral	Agree	Strongly Agree	Total	X ²	P
>a year	3 (25%)	12 (62.5%)	28 (54.5%)	9 (28.6%)	52 (45.8%)	14.4	0.1
1 - 3 Years	0 (0.0%)	0 (0.0%)	12 (22.7%)	15 (42.9%)	26 (22.9%)		
4 - 6 Years	0 (0.0%)	2 (12.5%)	5 (9.1%)	0 (0.0%)	7 (6.2%)		
7 - 9 Years	7 (75%)	5 (25%)	7 (13.6%)	9 (28.6%)	29 (25%)		

Table 2: Years of Service and Accuracy of Information Provided Similar to the first table, this table shows that employees with less than one year of service predominantly agree or strongly agree that the information provided during

performance feedback is accurate. However, the chi-square analysis does not find a statistically significant relationship between years in service and this perception ($X^2 = 8.8, p = 0.5$).

Table 2: Years of Service and Accuracy of Information Provided

Years in Service	Disagree	Neutral	Agree	Strongly Agree	Total	X ²	P
Below One Year	5 (33.3%)	17 (46.7%)	28 (46.2%)	2 (100%)	52 (45.8%)	8.8	0.5
1 - 3 Years	2 (16.7%)	14 (40.0%)	10 (15.4%)	0 (0.0%)	26 (22.9%)		
4 - 6 Years	0 (0.0%)	0 (0.0%)	7 (11.5%)	0 (0.0%)	7 (6.2%)		
7 - 9 Years	7 (50%)	5 (13.3%)	17 (26.9%)	0 (0.0%)	29 (25%)		

Table 3: Years of Service and Attaining Goals and Job Improvement Because of Performance Feedback Received In this table, a statistically significant relationship is observed between years in service and the perception that performance feedback helps in attaining goals and improving job performance ($X^2 = 30.7, p = 0.002$). Employees with less than one year of service are less likely to agree or strongly

agree with this statement compared to employees with 1-3 years of service, 4-6 years of service, or 7-9 years of service. This finding suggests that as employees gain more experience at PACRA, they may find performance feedback more beneficial in achieving their goals and improving their job performance.

Table 3: Years of Service and Attaining Goals and Job Improvement Because of Performance Feedback Received

Years in Service	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total	X ²	P
Below One Year	14 (37.5%)	30 (60.0%)	9 (66.7%)	0 (0.0%)	0 (0.0%)	52 (45.8%)	30.7	0.002
1 - 3 Years	7 (18.8%)	7 (15.0%)	5 (33.3%)	2 (33.3%)	5 (66.7%)	26 (22.9%)		
4 - 6 Years	2 (6.2%)	0 (0.0%)	0 (0.0%)	5 (66.7%)	0 (0.0%)	7 (6.2%)		
7 - 9 Years	14 (37.5%)	12 (25.0%)	0 (0.0%)	0 (0.0%)	2 (33.3%)	29 (25.0%)		

Table 4: Years of Service and Performance Feedback Being Helpful to Gain Insight into Weaknesses and Strengths This table indicates that there is no statistically significant relationship between years in service and the perception that

performance feedback is helpful in gaining insight into weaknesses and strengths ($X^2 = 10.9, p = 0.5$). Across different service duration categories, employees have varying opinions on this aspect.

Table 4: Years of Service and Performance Feedback Being Helpful to Gain Insight into Weaknesses and Strengths

Years in Service	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree	Total	X ²	P
Below One Year	2 (100%)	29 (42.9%)	9 (0.0%)	12 (4.7%)	0 (0.0%)	52 (45.8%)	10.9	0.5
1 - 3 Years	0 (0.0%)	17 (26.0%)	0 (0.0%)	5 (6.7%)	5 (66.7%)	26 (22.9%)		
4 - 6 Years	0 (0.0%)	5 (71.4%)	0 (0.0%)	2 (8.3%)	0 (0.0%)	7 (6.2%)		
7 - 9 Years	0 (0.0%)	17 (25.0%)	0 (0.0%)	9 (33.3%)	2 (33.3%)	29 (25.0%)		

Table 5: Years of Service and Performance Appraisal Linked with Salary Increase and Bonuses A statistically significant relationship is observed between years in service and the perception that performance appraisal is linked with salary increase, promotion, and payment of bonuses ($X^2 = 30.1, p =$

0.003). Employees with less than one year of service are less likely to agree or strongly agree with this statement compared to those with more years of service. This suggests that longer-serving employees may perceive a stronger connection between performance appraisal and tangible rewards.

Table 5: Years of Service and Performance Appraisal Linked with Salary Increase and Bonuses

Years in Service	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree	Total	X ²	P
Below One Year	7 (33.3%)	5 (20.0%)	12 (55.6%)	19 (53.3%)	10 (80.0%)	52 (45.8%)	30.1	0.003
1 - 3 Years	9 (44.4%)	0 (0.0%)	2 (11.1%)	12 (33.3%)	2 (20.0%)	26 (22.9%)		
4 - 6 Years	0 (0.0%)	0 (0.0%)	5 (22.2%)	2 (6.7%)	0 (0.0%)	7 (6.2%)		
7 - 9 Years	5 (22.2%)	19 (80.0%)	2 (11.1%)	2 (6.7%)	0 (0.0%)	29 (25.0%)		

Table 6: Years of Service and Performance-Based Individual Rewards While there is no statistically significant relationship between years in service and the perception of individuals being rewarded proportionally to their performance ($X^2 = 19.1, p = 0.09$), it is notable that

employees with less than one year of service have a higher percentage of strong disagreement, suggesting that they may not see a clear link between individual performance and rewards.

Table 6: Years of Service and Performance-Based Individual Rewards

Years in Service	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total	X ²	P
Below One Year	35 (55.6%)	2 (20.0%)	0 (0.0%)	10 (33.3%)	5 (100.0%)	52 (45.8%)	19.1	0.09
1 - 3 Years	12 (18.5%)	7 (60.0%)	5 (100.0%)	2 (8.3%)	0 (0.0%)	26 (22.9%)		
4 - 6 Years	5 (7.4%)	0 (0.0%)	0 (0.0%)	2 (8.3%)	0 (0.0%)	7 (6.2%)		
7 - 9 Years	12 (18.5%)	2 (20.0%)	0 (0.0%)	14 (50.0%)	0 (0.0%)	29 (25.0%)		

Table 7: Years of Service and Employee Receipt of Annual Performance-Based Bonus A statistically significant relationship is observed between years in service and the perception of employees receiving annual bonuses based on their performance ($X^2 = 21.4, p = 0.04$). Employees with less than one year of service are less likely to agree or

strongly agree with this statement compared to employees with 1-3 years of service, 4-6 years of service, or 7-9 years of service. This finding indicates that longer-serving employees may perceive a stronger link between performance-based bonuses and their tenure.

Table 7: Years of Service and Employee Receipt of Annual Performance-Based Bonus

Years in Service	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree	Total	X ²	P
Below One Year	22 (90.0%)	23 (43.5%)	5 (66.7%)	0 (0.0%)	2 (33.3%)	52 (45.8%)	21.4	0.04
1 - 3 Years	0 (0.0%)	17 (30.4%)	0 (0.0%)	9 (44.4%)	0 (0.0%)	26 (22.9%)		
4 - 6 Years	0 (0.0%)	5 (8.7%)	0 (0.0%)	2 (11.1%)	0 (0.0%)	7 (6.2%)		
7 - 9 Years	2 (10.0%)	10 (17.4%)	2 (33.3%)	9 (44.4%)	5 (66.7%)	29 (25.0%)		

Employees at PACRA have varying perceptions of fairness within the organization's performance appraisal system (Table 8). These perceptions can be summarized as follows: Balanced Perception (50/50): Some employees view the fairness of the performance appraisal system as a mixed proposition, with equal proportions considering it fair and unfair.

Supervisor Influence (Depends on your supervisor): Fairness perceptions are heavily influenced by individual supervisors' behaviour and approach to the appraisal process. The fairness of the system depends on who the supervisor is.

Objectivity Impact (The objectivity of the appraiser will determine the fairness): Employees believe that the fairness of the appraisal system is closely tied to the objectivity of the appraiser. The appraiser's objectivity significantly affects overall fairness perception.

Mixed Fairness (Not always fair): Some employees do not consistently find the performance appraisal system fair, suggesting that there are inconsistencies or occasional fairness issues.

Positive Fairness (It's fair): Conversely, there is a section of employees who generally perceive the performance appraisal system as fair.

In summary, fairness perceptions regarding PACRA's performance appraisal system are diverse, with some employees viewing it as balanced, supervisor-dependent, and closely linked to the objectivity of the appraiser, while others see it as generally fair or occasionally unfair. These varying perceptions highlight the need for a comprehensive understanding of the factors that influence fairness in the appraisal process.

Conclusion

Perceptions of Fairness in PACRA's Performance Appraisal System: The study found that some employees perceived the PA system as fair, while others had mixed opinions. The fairness perception varied depending on factors like the supervisor's behaviour and the objectivity of the appraiser. However, statistical significance was not reached except in the case of performance feedback and years of service.

Examining the Effect of PA System on Employee Motivation: The study indicated that the PA system had a generally positive impact on employee motivation at PACRA. Competent appraisers, supportive supervisors, and two-way communication between employees and management were identified as contributing factors. However, there was also a notable level of mistrust toward the PA system.

Identifying Factors to Improve Performance Appraisal: The research highlighted that the existing reward system tied to

the performance appraisal process was a source of satisfaction and motivation among employees. The PA system's ability to identify performance gaps and facilitate targeted training initiatives was also seen as positive.

Recommendations: Based on the findings, several recommendations were made. These include enhancing consistency in performance feedback, evaluating the fairness of the PA system more comprehensively, building trust and transparency in the system, leveraging employee participation in goal setting, and capitalizing on the existing reward system. These actions are aimed at improving employee motivation through the performance appraisal process.

Future Studies: The passage suggests that future research should explore the significance of a well-operating Performance Appraisal System at PACRA, particularly in terms of its impact on service delivery and employee turnover. It also proposes studying policy changes related to the adoption and implementation of the PA system to gain a comprehensive understanding of its organizational impact.

In summary, the study underscores the importance of fair and effective performance appraisal systems in driving employee motivation. It provides recommendations for PACRA to enhance its PA system and suggests areas for further research.

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