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ISTANBUL AYDIN UNIVERSITY
INSTITUTE OF SOCIAL SCIENCES

THE IMPACT AND EFFECT OF PERFORMANCE APPRAISAL ON EMPLOYEE MOTIVATION - THE CASE OF TURKISH NON-GOVERNMENTAL ORGANIZATIONS

THESIS

Aisha BANO

(Y1512.130103)

Department of Business

Business Administration Program

Thesis Advisor: Assist. Prof. Dr. Bekir Emre KURTULMUŞ

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ii

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To My Family & Friends

FOREWORD

First of all I would to thank Allah who gave me the courage to do my thesis. After that I am really thankful to my sister who supported me in every possible way and it would be impossible without her support. I would like to thank my supervisor for his excellent guidance and support during my thesis. I thank all of the respondents without whose cooperation I would not have been able to conduct my research. I would like to thank all my colleagues at university for their wonderful cooperation as well. My mother deserves a particular note of extra thanks for her wise counsel, kindness and her prayers.

December 2017   **Aısha BANO**

(Student)

TABLE OF CONTENT

ABBREVIATIONS

HRM	**:**	Human Resources Management
IHF	**:**	International Helsinki Federation for Human Rights
IHH	**:**	International Humanitarian Relief Foundation
NGOs	**:**	Non-Governmental Organizations
ODA	**:**	Official Development Assistance
OECD	**:**	Organization for Economic Co-operation and Development

LIST OF TABLES

LIST OF FIGURES

PERFORMANS DEĞERLEME SISTEMLERININ ÇALIŞAN MOTIVASYONUNA ETKISI. TÜRK YARDIM KURULUŞLARI VAKASI

ÖZET

Herhangi bir insan performans modelinde, motivasyon ayrılmaz bir bileşen olup, yıllardan beri örgütsel psikolojinin ana konusu olmaya devam etmiştir.Performans değerlendirmesi, insan kaynakları yönetimindeki en karmaşık ve zahmetli alanlardan biri olarak kabul edilir, bununla birlikte çalışanların motivasyonu ve korunması için çok önemlidir. Performans değerlendirmesi, çalışanların ve işverenlerin hedeflerini tanımlamalarına, birbirlerinin beklentilerini gözden geçirmelerine, örgütlerin stratejik hedeflerine ulaşabilmeleri için iletişim kurmalarına ve ilerlemelerine olanak tanımasına yardımcı olur. Mevcut tez çalışmasının ana konusu, Türk STK'larında çalışan motivasyonunun geliştirilmesi için performans değerleme stratejilerinin rolünün değerlendirilmesidir. Bu tez çalışmasında, Türk STK'larında çalışan motivasyonunun geliştirilmesi için performans değerleme stratejilerinin rolünü ele alacağız.Çalışmanın kavramsal çerçevesi ve hipotezi, konuyla ilgili geçmiş araştırma literatürünü kapsamlı bir şekilde gözden geçirmeye dayalı olarak geliştirilmiştir. Birincil araştırma, basit rastgele örnekleme yöntemiyle seçilen Türk STK'sı çalışanları üzerinde yürütülmüştür. Yapısal anket çalışması yapmak için toplam 200 katılımcı seçildi. Çalışanların çoğunluğu, STK'ların ödüllendirme, takdir etme, tazminat ve kazanımlarla ilişkili olduğu için performans değerleme stratejilerinden memnun oldukları tespit edildi. Olumsuz yön olarak, çalışanlar aldıkları performans geri bildiriminin sıklığının azlığını ve ayrıca kuruluşun çalışanların işe alınma ve terfi ettirilmesine yönelik resmi testlerde yer almadıklarını bildirdiler. Literatür taraması ve çalışanların tepkileri sonucunda geliştirilen görüş üzerine, Türk STK'larının performans değerlendirme sürecini ve çalışan motivasyonunu daha da artırması için tavsiyelerde bulunuldu.

Anahtar Kelimeler: *Performans Değerlendirme Stratejileri, Sivil Toplum Kuruluşları, Çalışanların Motivasyonu*

THE IMPACT AND EFFECT OF PERFORMANCE APPRAISAL ON EMPLOYEE MOTIVATION - THE CASE OF TURKISH NON-GOVERNMENTAL ORGANIZATIONS

ABSTRACT

For any model of human performance, motivation is an integral component and has remained a core focus of organizational psychology since many years. Performance appraisal is regarded as one the most complicated and troublesome areas in human resource management, however, it is crucial for developing employee motivation and retention. Performance appraisal is a way of allowing employees and their employers to be able to define their goals, review their expectations from one another, communicate and move forward to be able to achieve the organizations strategic objectives. The focus of the present dissertation is on evaluating the role of performance appraisal strategies for developing the employee motivation at Turkish NGOs. The conceptual framework and hypothesis of the study have been developed based on extensive review of past research literature on the subject. The primary study was conducted on the employees of Turkish NGO who were selected using simple random sampling. A total of 200 respondents were selected to administer a structured questionnaire survey. Majority of the employees were found to be satisfied with the performance appraisal strategies of the NGOs as they are linked with the reward & recognition and compensation & benefits. On the negative side, the employees in majority were not satisfied with the frequency of the performance feedback they receive and they also reported that the organization do not involve in formal testing for the processes of hiring and promotion of employees. Based on the insight developed as a result of literature survey and employee responses, recommendations have been suggested for the Turkish NGOs to further improve their performance appraisal process and the resulting employee motivation.

Keywords: *Performance Appraisal Strategies, Non-Governmental Organizations, Employee Motivation*

1.   INTRODUCTION

1.1   General Area

The intrinsic will and enthusiasm to accomplish tasks that are related to work can be defined as the motivation of employees. Motivation is an internal force that makes an employee to decide on an action. To define motivation is a complex job as it is an intrinsic drive influenced through external factors. Motivation of employees in an organization can bring various benefits to the company, such as, it has an influence on communication and cultural organization, and it moderates effects on personal characteristics- such as, motivation to lead. Along with this, motivation leads to accomplishment of organization's goals as well as the goals of an employee.

Employees are more likely to have higher job satisfaction and are more motivated to work when they find their tasks rewarding and challenging. Higher level of job satisfaction and motivation leads to decreased turnover and higher productivity. The jobs characteristics theory helps in identifying significant job dimensions and their impact on motivation. The five dimensions of jobs highlighted by the theory that are linked to employee motivation are: task identity, autonomy, skill variety, task significance and feedback. Utilizing them correctly can lead to higher quality of work performance, higher satisfaction and internal work motivation, and low turnover and absenteeism (Cunningham, 2016).

Employee performance appraisal along with the reward system constitute a significant portion of employee performance management (Venclová et al., 2013). This is because employees, and their knowledge and skills are considered as the most valuable resource, thus it become important to not only develop and reward them but to evaluate them as well. An employee performance appraisal, comprises of detailed evaluation process in which managers, evaluate, make comparisons and provide valuable feedback on the performance of employees. The importance of conducting employee appraisal is often

neglected and over-looked. This approach of ignorance tends to leave employees and management handicapped in terms of progress. It is essential to conduct constant appraisal of employees to keep long-term goals intact and have a healthy relationship between the company and the employee.

Few advantages of performance appraisals are detailed below:

- Formal evaluation makes employees feel valued. This provides workers with a sincere feedback keeping them on track to work better and smarter. Employees value occasional recognition and praise, hence retaining a hard-working staff (Fawcett, 2015).
- Conducting employee appraisal resolves grievances because concerns can be addressed during this time. In addition, it also strengthens ties of team-work building bond of cohesions between employees and managers (Fawcett, 2015).
- Performance appraisals build a legal trail to prove qualities of an employee including negligence, disobedience or criminal activity. Written documentation is more viable than verbal agreements in addressing poor performance and lagging attitudes towards work. Moreover, performance appraisal is the perfect opportunity to view long-term objectives which may not be on the day-to-day list (Hamlett, 2017).

1.2 Specific Topic

Employee behavior and strategic objectives of an organization are linked by performance appraisal methods. The employee perceptions of fairness and employee-supervisor relationship link the performance appraisals methods and the employee satisfaction with the appraisal (Dusterhoff et al., 2014). Satisfaction of employees with the appraisal process has been found to be correlated with job satisfaction. Therefore, to increase employee commitment towards organization and to lower their turnover rate, appraisal methods need to be strategically planned and implemented by the organizations. The influence of appraisal strategies on the employee motivation should be considered while developing these strategies to have maximum benefit out of them.

Turkey has witnessed a growth in the number of non-governmental organizations, which have undertaken several initiatives to uplift the community and resolve its issues. There are almost 87,500 associations and foundations working in Turkey (Tanz, 2015). Alone in 2015, official development assistance (ODA) amounted to USD 3.9 billion in 2015 (OECD, 2015). These numbers indicates how strong the civil society in Turkey is. These NGOs are supported by a huge workforce which needs to be kept motivated to work for the cause. While employee motivation is necessary for the organizations in general, for NGOs the importance of motivation is double fold. NGOs are constantly driven by this need of minimizing costs and maximizing return, and this is impossible to achieve without having a motivated workforce working together towards one goal. Budget constraints are also very common in NGOs, therefore the productivity per employee should be maximum to bring out their best and for this, employee appraisal and motivation is of utmost importance.

A report on IHH - a NGO very actively working in Turkey showed that employees are most motivated by their religious values. Almost every staff member told that they do not work for money, but rather the spiritual gratification, and this to a large extent is applicable to every NGO (Salim, 2012). One very crucial way to motivate employees is to have their back in times of crisis. A lot of human rights activists have been arrested in past. In 2005, leaders of IHC were arrested in a Women's day march. But with the legal assistance of their IHC, 85 of them got acquitted. This instills a sense of being considered valuable in the organizations, and hence their motivation level is likely to increase (IHF, 2005).

Due to the increasing competition and increasing employee turnover rates among the Turkish NGO's, it has become essential to develop the strategies which could keep the employee motivated. As described above, the efficiently designed and managed performance appraisal strategies can improve the employee motivation. However, before such strategies can be developed, it is essential to identify the influence of present strategies on the employee motivation. Hence, the topic selected for the present study is "The Impact and Effect of Performance Appraisal on Employee Motivation. The Case of Turkish Non-Governmental Organizations (NGOs)."

1.3 Research Gap

It has been established in the previous researches that employee motivation is an essential requirement for the organizations to succeed and this the reasons why organizations always attempt to develop and implement employee motivation strategies. Various factors have been identified by the previous researchers to influence the employee motivation including promotion opportunities, job design, pay, organizational culture, perceived organizational environment, quality of organizational communications, recognition, workplace spirituality and performance appraisals (Porter et al., 2016). The drift between the goals of an employee and the goals of an organization effect individual's performance as well as the growth of the company. Therefore, it has been confirmed by various scholars that in order to achieve peak performances, motivating employees and improving employee-employer relationship have becomes essential (Du Plessis et al., 2015).

Management books and manuals deem appraisal of an employee to be an objective, rational and to some extent an accurate process. Numerous criteria for assessment of evaluation exist. Broadly speaking, assessment of employees entails careful observation of an employee's actual performance (Cheng, 2014). A lot of research conducted on performance appraisal is meant to find better, more precise and cost-effective methods for measuring job performance. According to the previous studies, employers must understand how formal appraisals have an immense impact on motivation and production capabilities of their employees (Cascio, 2014). Extensive performance evaluation of employees helps a firm to pursue their target goals better, as it provides ample amount of information regarding the worker's perspective towards the company, his estimated motivation, his skill, accumulated strength and weaknesses of the firm and so forth. Based on the information about the employee's strengths and weaknesses, the companies can develop strategies to improve the employees' interest towards work and motivation to retain at the company.

Although there have been numerous studies which have integrated the two concepts of performance appraisals and employee motivation, no such study has been conducted specifically in the context of Turkish NGOs. Due to the cultural differences, it would not

4

be useful to generalize the findings of some study conducted in the West for the employees of Turkish NGOs. hence, the research gap has been identified to evaluate the topic of study for a specific population of Turkish NGOs' employees.

1.4   Research Questions

1. How do the organizations develop their performance appraisal strategies?
2. How do the employee perceptions about the effectiveness of appraisal systems influence their motivation?
3. What is the role of performance appraisal on the employee loyalty at Non-Governmental Organizations (NGOs) of Turkey?
4. What can be done to improve the employee perceptions regarding the appraisal systems at Turkey?

1.5   Thesis Statement

The organizations today need to develop efficient Human Resource Management Strategies as these affect the employee motivation to continue working at the same organization. Having motivated and loyal employees assist the organizations to have a better quality of service for the customers and business operations. Also, by having motivated employees, an organization can reduce the cost involved in the activities of hiring, recruitment, training and development of new employees. Performance appraisal has become a critical HR strategy in the today's competitive business environment (Gibbons & Murphy, 2011). Performance assessment in addition to employees, can also help the firm to contribute/invest in accordance to their needs through *training and development programs* (Ittner & Larcker, 2012). Investment in such programs can not only assist employees' productivity and satisfaction, but it can also help the firm by adjusting the employees in line to the company policies and goals. The present study would particularly evaluate the role of performance appraisal strategies on the employee motivation for the Turkish NGO's.

1.6 Research Contribution

The contribution of this study is two-fold. Firstly, it would investigate the role of performance appraisal for the employee motivation. Secondly, the study would be conducted specifically for the NGOs at Turkey. Based on the findings of the dissertation, the NGOs would be able to improve their employee motivations which would in turn result in cost-savings. The cost which would have spent on the hiring, recruitment, training and development of new employees, had the previous employees were not motivated, could now be used for the community service. Hence, the present study does not only contribute to the management literature, but actually serves a broader purpose of community improvement through providing a means of increasing funds.

1.7 Organization of the Dissertation

The rest of this dissertation has been organized as follows:

- Chapter 2: Literature Review and Theoretical Framework-This chapter details the critical review of the recent relevant work done in the areas of performance appraisal, employee motivation and the relation between two. Furthermore, the chapter would present the theoretical framework to be tested in the study. The framework would be developed based on the literature survey and would highlight the variables of study.
- Chapter 3: Research Methodology- This chapter details the elements of research methodology and design including research philosophy, approach, design, method, data collection and analysis methods and sampling strategy. The chapter sheds light on the available options for each element of research method and then present justification for the choice of each. Finally, the ethical aspect and limitations of the present study are also described.
- Chapter 4: Analysis and Discussion-This chapter presents the findings of the survey results in the light of secondary study and would offer discussion for each survey response. The statistical frequency distribution analysis would be performed to analyse the findings.

- Chapter 5: Conclusion and Future Work- This chapter concludes the dissertation and offers the directions for future extension to the present work.

2. LITERATURE REVIEW AND CONCEPTUAL FRAMEWORK

Today, every organization wants to be successful by being able to survive in the competitive, yet highly volatile market environment Employee motivation has been regarded as a fundamental tool for any organizations' success in the long run (Dobre, 2013). Many past researchers have focused on identifying factors which influence employee motivation and having efficient performance appraisal strategies is one of them. This chapter details review of the recent literature on the topic of influence of employee performance appraisal on their motivation. The factors which affect the quality of performance appraisal strategies and the ways in which these strategies influence the employee motivations have been described. At the end of the chapter, the conceptual framework to be tested in the study has been presented, which is designed based on the literature review conducted.

2.1 Methods of Performance Appraisals

There are many methods of performance appraisal out of which the most commonly known are described in detail in this section. Performance appraisal methods can be classified into two categories as mentioned by Khanna and Sharma (2014) these are the traditional methods and the modern methods.

The first method according to Khanna and Sharma (2014) is the rating scales method. In this method, a list of characteristics is provided to the supervisor who then analyses the employees and fills out the checklist accordingly. The checklist has a scale in front of every characteristic. This scale ranges from excellent to poor performance and every one of the choices on the scale is associated with a numerical value. These numerical values are then added up to make the total score which then becomes representative of the employee's performance. However, this method can lead to supervisor bias and placing

a numerical value on performance is not always accurate. Since every person is unique their strengths cannot be placed in one piece of paper, hence their core strengths may go unnoticed. This way of performance appraisal does not include the opinion of the employee being evaluated either, however it is faster and more cost effective for the firm.

Agarwal and Thakur., 2013 have discussed the ranking method as another one of the traditional methods where all the employees are ranked from best to worst which is a highly inefficient method as every individual has their own talents and cannot be compared to one another. Graphic ratings are another method of performance appraisal that is employed by many firms, it was developed to provide reliability and consistency over a period of time, along with usefulness and practicality. This method is similar to the rating scales method.

Narrative method is a traditional method that is a rather lengthy method of evaluating an employee. The requirement of this method is that the employer needs to write an explanation regarding an employee's past performance, their strengths, weaknesses, their present position in the organization and what areas they could improve upon to better attain their potential (Agarwal & Thakur, 2013). However, this type of method can be time consuming and there are some important aspects of the employee's performance that the supervisor might unintentionally skip out on. Furthermore, this method can also be subject to biases.

The modern methods of performance appraisal firstly include the 360-degree method which has been discussed in vast detail by Espinilla et al., 2013. The 360-degree method is very different from the traditional methods. It involves the opinions of multiple reviewers such as immediate supervisors, customers, team members, peers, and the person themselves who interact with the employees that are to be evaluated. Multiple criteria are brought into consideration when implementing this method of appraisal. Information is collected from everyone associated with the employee. It is a very comprehensive and fair way of appraisal as multiple stakeholders are involved which gives a more holistic image of the employee's performance and removes any biases that the employee might face from the traditional method. The 720-degree method is a more

evolved form of performance which more popularly used to review the upper level management. It is more powerful, personalised, and above all it brings in the reviews from the customers, the company's investors and their subordinates. This kind of a performance appraisal method focuses on the perceptions of customers and investors who are the major stakeholders for any company and whose opinions matter the most. The greatest aspect of this approach is that it gives people a completely different view of themselves as leaders and as growing individuals.

2.2 Factors Affecting the Quality of Performance Appraisal Strategies

Various scholars have shed light on the factors which affect the quality of performance appraisal strategies and hence influence the employee motivation, in turn. This section reviews some of such factors identified by one or more researchers.

2.2.1 Avoiding biases

According to Keeping & Levy (2012), general biases from managers can influence the appraisal process. General biases include numerous prejudices but only a few have an effect. First, managers act out to nominate everyone as average and equal, unless someone is extremely skewed to any side (whether good or bad). Also, managers can tend to mark all their employees as "good" (above average) so to avoid any confrontation or situation which could make him personally liable. Furthermore, managers' evaluation can also prove to be biased when they sense contradictory qualities in their employees in comparison to themselves, even though these qualities can prove to be productive for the company (Keeping & Levy, 2012).

The halo and horn effect refers to over-generalizing during performance appraisal process. The halo effect refers to evaluating employees based on specific (few) outstanding qualities and generalizing, that is, assuming that the employee is good in all fields without justification whereas, horn effect is when managers evaluate the employees based on a few lacking abilities and assume that the employees are below-average in all aspects (Chen & Huang, 2016). This bias is generally present where managers prefer one employee over another and give him a favorable a task or a task which the manager knows that he is comfortable with.

The Mathew effect is also a part of the above described bias where employees are judged throughout their organizational life based on the first few observations (whether good or bad) (Chen & Huang, 2016), this way employees do not usually have the opportunity or motivation to improve themselves as improvement does not reflect any enhancement in their appraisals.

Some of the above biases can affect any strategy or process for performance review, therefore, proper and continuous training of managers, and HR (Human Resource department) supervision is imperative throughout.

2.2.2   Standards of evaluation

In all strategies used for evaluation of performance, certain shortcomings are present in almost all of them. The managers or the system tends to prefer subjectivity or objectivity more than the other. The subjective approach refers to evaluating only upon the attitude and personality of employees while the objective approach is just the opposite: when employees are judged based on the total work done only (Keeping & Levy, 2012). A combination and a perfect balance of the two processes is vital for any organization as biasness towards one affect the overall judgement process dearly (Boswell & Boudreau, 2103). Sometimes, the companies have a traditional (old) setup of evaluation which does not take into account all important and relevant factors of modern evaluation process. Such an act can hinder not only the employees' motivation and productivity, but can also increase the turnover rate as employees generally switch when they feel they are not rewarded according to their contribution.

Overall, there is no correct method which can completely satisfy the appraisal strategy or process, such as, even including self-evaluation process has known to have fallacies and reprisals from employee. This can also be due to differences in personalities, that is, no two employees can be completely satisfied by one process (approach).

2.2.3   Communication

Communication within an organization and among individuals are both very important for any firm to run and progress effectively. Similarly, during performance appraisal, communication is essential (Boswell & Boudreau, 2103). A good form of interpersonal communication involves immaculate communication both, horizontally and vertically.

11

Horizontal communication improves motivation and engagement among employees while vertical communication improves one's coordination with their employers. Furthermore, the employer (manager) has a complete employee's perspective on the team and on all the tasks done, in addition to his own judgement. This way, the manager does not have any unintentional bias due to lack of information while assessing the employee's performance.

Moreover, traditional methods of appraisal processes involve a one-way communication model, which also means a one-way appraisal method (Denisi & Kulger, 2012). This signifies that employee evaluation can be biased (intentional or unintentional) and unfair, since there is no return communication (feedback that is) and so this system had to be replaced. Due to all these reasons, the modern appraisal process had to be introduced and designed in such a way that it involves and favors multi directional appraisal process (360-degree evaluation process). This also helps in enhancing the quality of employee assessment process since quality is usually compromised with one way communication model (Denisi & Kulger, 2012). The two-way communication model acquires information about employees through different means when employees participate in different programs. Therefore, this method can also be verified which is beneficial for the organization as it increases employee satisfaction with the system and the hard-working and productive employees of the firm remain motivated as they perceive their voices to be heard within the organization. This process also requires an action on the feedback of the employees for employees to remain engaged in the system and organization (belief in the 360-degree appraisal program).

2.2.4 Leadership

Every manager is first known to be an employee himself. Only those who express qualities of leadership in their initial career phase manage to be the managers and even CEOs of tomorrow (Banner & Cooke, 2015). Employees with such capabilities are clearly prominent in the appraisal process, and, therefore, it is also one of the most important factor which influences the quality of appraisal strategies. It can also be said that leadership qualities in employees can make up the quality of the appraisal process and sets up the tone for appraisal strategies.

Leadership qualities are vital for overall team performance as well, the teams require control and direction from within the team (apart from the managers) (Banner & Cooke, 2015). These people stand up to the task and come out as spokespersons for the group and are looked up as the future representors of the organization. The managers themselves are usually on the lookout for employees who exhibit leadership potential as these are required by the company themselves and are considered as assets to the firm (Banner & Cooke, 2015).

Due to all the above said reasons, employees who reflect leadership qualities are given significantly higher rating and it also moderates some other lacking qualities that is, managers tend to overlook other weaknesses (with respect to technicalities) in favor of leadership qualities.

2.2.5   Change management

Changes, transitions, and promotions due to competition is always on the cards for any competitive organization (Hanen & Wenerfelt, 2013). Therefore, this factor is also accounted for (or influences) in the process and strategies for performance assessment, as it affects the quality. The organizational changes are part of the norm and are usually associated with organizational development., especially, after extensive international and national competition, it is vital for any firm to grow (Shalley & Gilson, 2014), hence, this affects all aspects of an organization including quality of performance appraisal processes.

Since these changes are rapid, therefore, their affects are very prominent on appraisal processes and it, sometimes, affects the quality (Hanen & Wenerfelt, 2013). It all generally depends on the manager, how he integrates the change into his process and how he differentiates the employee's personal performance (commitment and skill) from the performance due to the change (before and after). One more important aspect to consider in this scenario is that employees' work commitment, skills, motivation and even leadership qualities might vary with the system in place that is, as the system changes these things might also vary. Therefore, it is also important for the appraisal process to consider the fact that if these changes in employee performances can be productive to the organization, while also analyzing the long term to short term factor.

2.2.6   Appreciation of diversity

Diversity is one of the most important phenomena in today's organizational culture. Diversity within an organization can be of any type, or multiple types for example: age, culture, religion, race, corporate experience, regional and so forth (Youndt, Snell, et al., 2016). For an organization, dealing with diversity on all forums is very important to succeed and thrive, this also include promotions, appraisal processes and strategies designed for the assessments (Levy & Williams, 2014). The appraisal processes and the managers themselves should consider diversity as a part of organization and rate according to it (Youndt, Snell, et al., 2016). For example, different employees might be distinguished in different work skills due to difference in demographics or culture, this reflects that managers should not act irrationally and assess all employees from the same perception (Levy & Williams, 2014). Furthermore, the appraisal method itself should be in such a way that it covers any bias due to demographics, this might be possible by designing (strategizing) ways through which the employee must be assessed in numerous manners (Maroney & Buckely, 2012).

2.3   Advantages of Performance Appraisal

Maley & Kramer (2014) mentioned in their research that the influence of employee performance has a great effect on an organizations strategy and due to this reason, performance appraisals are important and advantageous for the firm. The employees at a particular firm, function as a well-oiled team that provide the firm with a competitive advantage. Performance appraisals help to improve the performance of a team by pointing out their weaknesses and identifying areas that can be improved. In this way performance appraisals help the organisations attain a competitive advantage. This claim that is made by the authors following their research seems very appropriate as employees are what make the firm successful for it is their hard work that results in a firm's performance. If the employees are to be appraised constructively, the firm will reap the greatest benefit.

There are many merits to an organization that employs performance appraisal techniques which have been stated by Adler et al., (2016). Firstly, he mentions that performance

appraisals help to constantly monitor performance hence allowing the upper and lower management aware of the status and level of employee seriousness and dedication towards the organization. Differentiated evaluations can allow a firm to test multiple aspects of an employee's performance with ease. Performance appraisals are widely used by all organizations and employees and supervisors are both accepting of them. The modern methods of performance appraisals are very useful especially in the public sector where there are a large number of employees, performance appraisals are consistent measure that can gauge an employee's performance.

Evans & Tourish (2016) mentions that for employees, performance appraisals are highly advantageous as they give them a chance to prove themselves and climb up the corporate ladder much quicker. Employees attain significant benefit from a positive appraisal in terms of receiving their boss' attention, a higher salary, promotion and appreciation. Furthermore, they also mentioned that performance appraisals provide a report of the performance of an employee over a certain timeframe of the company's choosing apart from which it also gives a proper structure to an organization which allows the chiefs to be able to meet and personally talk to an employee about their performance. This is a great learning opportunity for an employee as they get a one on one chance to interact with senior managers to discuss their performance. This is a chance that they would not usually get due to the senior manager's busy schedules Evans & Tourish., (2016).

Performance appraisals enable a chief the chance to furnish the representative with input about their execution and examine how well the worker objectives were in line with the goals that were laid out by the organization for them to follow. They also give an organized procedure to a worker to explain their additional requirements which can help them do their job better and examine issues which they may have with their chiefs. Performance appraisal processes can help employees and their chiefs understand each other better and come into synchronization with each other regarding the objectives of the firm. Moreover, appraisals give a structure to thoroughly consider and arrange the changes that need to be made in the upcoming year and help to build up a strategy and then set employee goals accordingly. They can trach this year's weaknesses and can turn it into the upcoming years strength. Lastly, performance appraisals work as great

motivators for employees if bolstered by a decent legitimacy increment and pay framework (Evans & Tourish, 2016).

2.4 Importance of Employee Motivation

Employee motivation is a term, the definition of which has been mildly contested over the years. The gist, however, is that it is the increase in energy, creativity, productivity and commitment that motivated employees bring to their work. Organizations give great importance to employee motivation as the effort spent on it is eventually rewarded back to the organization in the forms mentioned above. The most important and easily monetized benefit is the increase in productivity and job performance of the employees that are then motivated. An evaluation of 294 employees from China found that the combination of intrinsic and external motivation with transformational leadership helped the employees adopt the ethics and principles of the organization in question. This resulted in the employees engaging in behaviors that, themselves, helped achieve organizational goals (Graves et al., 2013). These findings illustrate the influence of an organization on the employees using motivational practices and a supportive work environment, thus highlighting the importance of motivation in the workplace. It is not only snapshot studies, but also long-term studies that demonstrate the importance of employee motivation in the corporate world. Cerasoli et al, in 2014, conducted an analysis over the course of 4 decades on 950 original articles on the subject of employee motivation. The results of this analysis displayed a clear positive correlation between intrinsic motivation and employee performance. Intrinsic motivation, in particular, has a positive effect on performance in the absence of performance-related incentives. Rather than choosing one over the other, the combination of the different types of motivation is the most important to the improvement of firm performance. This review also displays that the importance of motivation increases as the level of performance required increases. Another reason there is a large amount of importance placed on employee motivation, and therefore a large amount of time and money devoted to its research and implementation, is because different factors influence different individuals in varying degrees (Dobre, 2013). The new insight gained helps the organization employ the most

effective motivational practices, which then improve the performance of the motivated employees.

Employee motivation has an additional significant impact on the work environment and the overall satisfaction that the employees experience. This results in an overall positive and supportive environment that allows employees room to develop. A survey conducted on 85 employees working in local authority positions in Greece (West Macedonia) showed that various motivational factors, including good working relationships, fair and equal treatment, and interesting work all cumulated in an increase in job satisfaction felt (Chatzopoulou et al., 2015). These factors were rated above simple salary, even in times of economic recession, further demonstrating the importance of motivation and its subsequent satisfaction. A balance between motivation and satisfaction, and workaholism must be maintained in order to have sustainable levels of employee satisfaction. A study on 2,354 employees in Belgium displayed that those employees that ranked high in terms of autonomous employee motivation had a positive relationship with job satisfaction, and also reported the lowest levels of stress due to work (Broeck et al., 2013). This shows that increased satisfaction due to organizational motivation practices have a negative effect on the amount of stress felt. The resulting lack of stress allows employees to focus better and thus improves not only their work performance, but reduces any strain on their professional relationships in the workplace. Job satisfaction is of paramount importance to an organization in the cases where the job in question is high-stress, or is underpaid in many countries. A prime example of this is the profession of teaching. A questionnaire, filled out by 117 teachers in the city of Jayapura, Indonesia determined the influence of motivation on the job satisfaction, and subsequent performance of high school teachers (Arifin et al., 2014). The results indicated a positive and significant impact of employee motivation on the job satisfaction of teachers, which, in turn, has a positive impact on job performance when combined with organizational culture and competence.

Employee motivation would also result in a reduction of employee turnover, and subsequently allows employees to develop their skills and apply their skills within the same workplace. Bonenberger et al., in 2014, carried out a survey on 256 health workers in the eastern region of Ghana, which investigated the relationship between employee

17

retention, and the perceived level of motivation in their respective organization. The results displayed an inclination of employees to remain with their organizations in cases where the organizations employed effective motivational practices. This reported inclination is significant enough to warrant the conclusion that organizations should devote more time and resources towards strengthening the human resources department at any organization. This illustrates the concept that motivated employees are more satisfied within the organization, and are, therefore, more loyal and less likely to leave the organization. Their loyalty would also encourage them to be more invested in the success of the firm and thus improve job performance in order to achieve organizational goals.

Sanyal & Biswas (2014) studied the implications of the performance appraisal on the motivation of employees in the software industry of West Bengal. After collecting and analysing the data from 19 software companies, they concluded that the role of the line mangers in each organisation is significant to the effectiveness of the appraisal. As the performance appraisal system is distinctly practiced in diverse companies, so are the dilemmas that the system faces. The general proposal they give is to emphasize the culture of OCTEPACEC so that involvement and commitment can be generated and a competitive advantage of satisfied employees sustained through a bias free rating.

Malik & Aslam (2013) bridged the gap between performance appraisal and its relation with employee development and attitudinal results. They studied the construction of the perception behind the system of appraisals and how it influences the motivation level of the employees in the telecommunication sector of Pakistan. After applying the ANOVA test, they found a crucial relation between supposed impartiality of the performance appraisal that fuelled motivation. In their view this system, if managed fairly by the human resource management, can serve great benefits for an organisation. However, the data they collected was from a small unrepresentative sample of which the results cannot be generalised to fit the whole population.

Mikkelsen, Jacobsen, & Andersen (2017) investigated the links between the enforcement actions of a manager, the employee's perceptions and intrinsic motivation. The role of managers in this article is defined to be the enforcers of a particular

command system which, according to the results, can only influence motivation if a soft enforcement action is applied. The study entailed principals and teacher enforcing a curriculum plan which had mixed responses depending upon the students' perception of the plan. They concluded that the intrinsic motivation of employees is dependent on their internal need for self-determination.

Culbertson et al (2013) also discusses the role of employee satisfaction with the performance appraisal. Performance appraisal satisfaction depends very much on the individual and other factors such as past performance and personal goals. Employee empowerment is also one of the important factors. When employees are involved in the decision process they are held responsible and hence when desired results are achieved positive feedback is most likely to acceptable and considered accurate. In this article results suggested by the authors are much generalized. Different types of job and appraisal systems must be treated differently for a better analysis.

2.5   Influence of Performance Appraisal Strategies on Employee Motivation

One of the widely-discussed HR tools in scholarly and professional domains is performance appraisal. Majority of the literature reports it to be highly effective in influencing the employee's behavior and motivation level.

The influence of appraisal processes on employee motivation and performances is critical. Although research in the case of HR practices to employee productivity is not completely established, however, numerous studies have stated that motivation is the main driver for an employee work (Mohammad et al. (2015) (Rebbeca & Kohee, 2016). This study also stated that the relation between HR practices and employee motivation is complex and not directly related. Certain variables can influence the relation to some extent.

Research undertaken by Rebbeca & Kohee, (2016) works on a separate line of action for employee motivation and productivity. He argues that pay-for-performance does not also guarantee a specific result and is clouded by many variables. Merit pays and bonuses can substitute for each other but neither of these factors can take the place of other

influencing variables for example, non-monetary HR policies (less overtime, promotions).

Another study which highlights employee productivity suggests a combination of both monetary as well as non-monetary HR policies, termed as high involvement HR polices (Anthony, Jenna, et al, (2013). These policies focus on maximum employees' involvement which in turn results in enhancement of domains in terms of ability, motivation and opportunity. In order to boost motivate, a positive performance appraisal includes a compensation package and promotion packages as rewards, which results in accomplishments of work objectives for organization and also leads employees to perceive themselves as valuable assets for the respective organizations (Anthony et al, 2013). Furthermore, reward packages which include such combinations clearly communicate organization's expectations from an employee(s). It may also include incentives based on both: past (ex-ante) and future (ex-post) performances.

Muriuki (2016) described the influence of performance appraisal on employee motivation. Using the data obtained from 120 respondents drawn from a government ministry employees, author showed a strong positive correlation between performance appraisal and employee motivation. However, as the study points out there are certain variables which are essential for the effectiveness of performance appraisal such as the presence of a comprehensive policy linking pay to performance, effective feedback, encouragement of employee participation etc. The study contributes to the literature by analysing a government department where the dynamics are different; however, the small sample size limits the generalizability of the results.

Kisang & Kirai (2016) established the effect of performance appraisal on employee motivation by taking a private equity bank in Kenya as the case subject. Using a case research design, data was collected from 12 top level management, 24 middle level management, and 112 lower level management. Data was collected using a questionnaire. This study is particularly unique in the sense that it also investigates the effect of the objectivity of performance appraisal. The analysis of data collected shows that feedback and the objectivity of appraisal system both have a positive influence on the level of employee motivation. The major limitation of this study is that it ignores a

lot of variables which could have a potential unrecognized role in employee motivation level.

Kamphorst & Swank (2012) also described the impact of performance appraisal on employee motivation level. Using a model, authors examined how future performance of the employees is impacted by the appraisal. The results show that in most of the cases, positive appraisals motivate much more than negative appraisals. Another finding was that the effectiveness of appraisals is also dependent on how employee perceives his manager's ability to give accurate feedback. While overall this study provides new findings, a major limitation of this study is that it only analysed a short period of time. A multi-period model may impact the employee-manager relationship in a negative manner.

Khan (2017) also studied the association between performance evaluation and employees' performance. Moreover, the author also studied motivation as a moderator. The results showed that there is a high correlation between performance evaluation and employee performance. The data for the study was obtained from a total of 150 employees working in commercial banks in Pakistan. Further analysis showed that moderating variable i.e. motivation did not have a material impact on the relationship between performance appraisal and employees performance. The study is useful because of its inclusion of a moderating variable; however, more variables could have been tested for thorough results.

Kim & Holzer (2016) described the factors that can improve the employee acceptance of the appraisal system. Authors assert that it is absolutely necessary to understand the individuals' reactions to performance appraisal and its organizational context. Factors identified included employee participation in development of performance standard, quality of the relationship between employees and supervisors, and employee perceived empowerment. The study is meaningful because it explores the cognitive factors that can be used to improve the effectiveness of performance appraisal.

Barrick et al (2015) explored the relationship of employee engagement and firm performance. The authors first established the positive correlation between these two variables, and then further asserted that to achieve better results, employee engagement

21

level should be first analysed at individual level and then aggregated at the organizational level. Moreover, the strategy of the department should be alligned with the organizational strategy. This study is very meaningful as it contributes a great deal to the understanding of how the performance of a firm can be improved by engaging employees.

Kampkötter (2017) described the impact of performance appraisal on job satisfaction. The strength of this study lies in its big sample size of more than 12,000 Germans and the longitudinal nature of data. Study revealed that performance appraisal can drive up job satisfaction, provided that it is linked with monetary outcome. The absence of a monetary incentive can have a negative impact. This study is unique because of its inclusion of monetary consequence as the variable.

This impact of performance appraisal is multi-dimensional, meaning that it impacts the employee motivation in different ways and on different levels. These dimensions have been discussed below:

2.5.1 Job satisfaction

The most direct and widely cited is the impact of performance appraisal on job satisfaction. A multitude of studies have confirmed the significance of this impact, but at the same time a lot of studies have reported dissatisfaction of employees with performance appraisals quality. One of these studies was conducted by Darehzereshki (2013). The study focused on the performance appraisal quality in particular and its impact on job satisfaction, and by logical extension, employee motivation. The data was collected from 133 employees working in various multinational companies in Malaysia. Not surprisingly, the employees who were satisfied with the quality of performance appraisal and the whole process were also more satisfied with their jobs, which in turn motivated them to be more productive and efficient. The impact of negative performance appraisal is also significant. It can increase the dissatisfaction and may fuel the attrition rate. The real challenge is for the practitioners to decide whether their performance appraisal quality is enough to ensure that it will produce quality results.

More important and meaningful is another study conducted by Kampkötter (2017). The study showed the conditions in which the appraisal system is going to work and have a positive impact on job satisfaction. For one, the sample of study comprised of more than 12,000 individuals present on the German Socio-Economic Panel. Secondly, the study was longitudinal hence, the possible changes over the time were also tracked and incorporated in the final results. The results obtained showed that it is highly important to link performance appraisal with monetary outcomes. Without this link, the performance appraisal will probably have a detrimental effect on job satisfaction. This is a very important takeaway from this study. It can be fairly established that the results of this study are applicable across the different socio-economic classes.

Dusterhoff, Cunningham & MacGregor (2014) determined the role of the performance appraisal methods by using the moral cognition standpoint. They present the view that employees evaluate the performance appraisals they receive based on their perception of its moral fairness. These evaluations of the appraisals produce a reactionary behaviour that alters the way they work and their satisfaction and commitment to their job. They used performance ratings, alleged utility, leader-member exchange and justice that prevail in an organisation to conclude that all these factors are inter-related. To give a satisfactory performance appraisal to an employee, perceived justice must be necessitated. However, the moral limitations of their study render some flexibility in the results when other variables are taken into account.

The effect of performance appraisal system in organizational commitment, job satisfaction and productivity was described by Deepa, Palaniswamy & Kuppusamy (2014). The conceptual framework provided states that the success or failure of an organisation as a whole is largely deduced by its performance appraisal methods. These methods aid in the organisational commitment, citizenship and engagement that an employee develops as a result. This behavioural impact determines the productivity of the employee that contributes to the organisational accomplishment. This study however, is a result of theoretical understanding with limited primary research to support it.

Bal, Bozkurt & Ertemsir, (2014) determined the influence of HRM practices on increasing organizational commitment. They deemed that faction of human resources to be a competitive advantage for organisations in the modern world. As such, they tested the implications of HRM policies on commitment and the expectations held by employees. They concluded that when the expectations of HRM overlap the practical functions of the HRM, commitment of employees increase as a result. Hence, if an organisation values the human assets, they will work to fulfil the expectations of their employees to earn their commitment.

2.5.2 Teamwork

As discussed by Scott & Einstien (2011) in their study, performance appraisal strategies have always proved to be effective, one way or the other. Scott & Einstien specifically insisted upon two variables: Firstly, that this strategy entirely depends on the nature of work, and secondly, the nature of employees as an individual and also in a group. Schuler & Jackson (2012) also emphasizes that appraisal processes specifically are beneficial for teamwork if it rewards the whole group equally. For example, after achieving a certain target, most companies tend to reward in a triangular manner that is, position wise (Hiselid, 2015). This clearly benefits the upper management very effectively in monetary terms, however, it can cause an equal amount of discouragement among the lower level employees (Hiselid, 2015). The employees, in such a case, do not feel like that they have been dully taken care of.

Furthermore, Hiselid (2015) also suggests that an equivalent appraisal strategy for a team working together is much more effective. Mullins (2012) also provides information with his study that when an employee is made to go through the performance appraisal even individually, he aspires to be more of a leading figure in the group for the next time to get more attention by doing more work and this competition itself proves to be healthy for the teamwork and the organization (Mullins, 2012).

The above described reasons are generally pointing out to the one-sided picture of the works of appraisal processes. Equal reward system is never a good option for any company seeking long term benefits in terms of employee retention and for similar

24

a0gendas, whereas, an equivalent system can also have the same effect but with less chances of a management backfire (employee discomfort for instance).

2.5.3   Perceived organizational justice

Kaleem et al (2013) conducted a study to determine the nature of relationship between organizational justice with work performance with the mediation of performance appraisal. The study was conducted in Faisalabad, Pakistan using data from 13 different manufacturing firms. The results obtained showed that performance appraisal system, if implemented in the right manner, can act as the mediating factor leading to improved job satisfaction. Authors have taken in account all kinds of organizational justice including procedural justice, distributive justice and interactional justice, which increases the applicability of the results and gives a more comprehensive picture of the relationship. However, the study could have been better by including other variables related to national culture on macro level. Salleh et al (2013) conducted a similar study but this time the sample was bigger and was taken from the public sector. The data obtained from 425 government employees showed performance evaluation can be effective in directing the employees towards being more committed by the mediating factor of fair practices in the organization.

Jacobs, Belschak & Den Hartog (2014) added the behavioural ethics view to the plethora of studies conducted on performance appraisal. To conduct the test, they inspected 332 officers in the police force, their performance appraisal, its effect on their work, the professed support they receive from their supervisors and the organisation they work for, and their resulting ethical or unethical work conduct. They concluded that the support that the employee receives or is perceived to receive has great influence on how he behaves and work. According to their research, the practical implications of the justice perceptions held by each employee influence his work ethics differently even if a shared organisational background is found.

Similarly, according to Cheng (2014), there is a strong relationship between administrative performance appraisal practices, organizational commitment and the mediating role of organizational justice. The results of the research obtained from 395 employees working in manufacturing industries in Taiwan illustrate that there is a strong

association between perception of employees on organizational justice and the implementation of performance appraisal activities (Cheng, 2014). In turn, there is a strong association between the level of perceived justice in organization and organizational commitment level. The findings further illustrate justice in an organization has a mediating effect between the relationship of performance appraisal methods and employees' commitment to organization.

2.5.4   Training and development

Alongside competitive compensation plan, employees are now also demanding the capacity and systems to advance their career. Money is no longer the only motivator. Performance appraisals offer the opportunity for both the management and employees to identify the training and development needs. Wanjala & Kimutai (2015) argued in their study that most of the employees prefer to use performance appraisals for training purposes. The study was conducted using data obtained from 178 employees working in banking industry. The results showed that performance appraisal directly impact the employee motivation level by opening the training opportunities for them. Appraisals link the skill gap with the specific performance outcomes, thus making the need for training more relevant and obvious. In day to day office routine, it is hard to pinpoint which skills are needed to fulfil career aspirations but with systematic performance appraisal system, the analysis is done at the microscopic level by discussing the individual performance. Even if the organization does not conduct a formal training program, performance appraisal can help employees in identifying their own weaknesses and then they can at least work on them in their individual capacity. In this respect, performance appraisal strategies provide the opportunity to improve employee motivation by giving him the desired offer to improve his/her skill set for career progression.

Denish & Smith (2014) describes the role of performance appraisal for both the management and employees. Mutual benefits of both, the employees and the organization are mentioned. Strategic priorities of the organization must be identified to distribute work accordingly and to ensure employee empowerment for the personal development of employees who in turn will help the organization to grow. All

employees must be trained to know the expectations and important policies of the organization to be able to align their performance with the strategic goals of the organization. Different HR activities must be researched upon to understand its effect on the performance of the firm.

2.5.5 Employee performance

As discussed previously, the role of performance evaluation strategies and its effects on employee performances have been under study since a long time. Nadeem, Naveed et al. (2013) clearly suggested that an employee's motivation is a major variable between performance appraisal and the actual performance. Such process helps employees in a certain direction by indicating the company's expectation and the employee's participation in it. Performance appraisal is also imperative for organization to achieve long term strategic goals as it helps to assess individual abilities and aligns them to company policies (Nadeem, Naveed et al., 2013). Performance is also important in motivating employees because it gives a sense of a team within the organization and that their work is well appreciated.

In organizations which work similar to NGOs, employee performances have been noted as very low. This is primarily due to low motivation, low salaries as well as a lower level of employee lifestyle (Natalie, 2014). In addition to this, the same study also points out to the fact that regular performance evaluations not only help in motivating and rewarding employees but it also helps for the company to shortlist (identify) employees for leading positions in the future (Natalie, 2014). The performance can also be used as a landmark for the company to carry out HR and skill development trainings.

Employee appraisal is considered a vital part of an organization and it is directly to employee's success. Study also found that staffing, training, rewarding, and inspiration are the four key pillars for employee appraisal process (Zafrullah et al., 2017). For example, banks are also significantly involved in this process as today's market has become very competitive and only maximum employee productivity can give one organization an edge over another.

2.5.6 Improved productivity

According to Taylor & Baker, (2014), one of the major factors to increase employee productivity is indeed performance appraisal methods. It is the process for the individual performance being evaluated for an employee that drives him to not only do extra work but more smartly and efficiently. This is the only process which is considered the most effective for motivating employees to accept more work, as this strategy gives a very handy return to the employees for their effort (Taylor & Baker, 2014). Furthermore, it also helps the organization to filter out uninterested employees specifically those who are not aligned to the organization's goals.

Moreover, such methods are considered the most critical for the Human Resources (HR) department due to their vast effects. Many public as well as private organizations have failed in the past due to ineffective performance evaluation strategies (Cardy, 2014). However, the advent of technology and more research has made organizations more aware of deadly hazards of the ineffective evaluation processes and they have sought to caught up ever since.

However, one more study that appraisal processes can also play a very negative role in an organization in the case of a bad manager. The managers are usually the only (major) source of feedback on an employee(s) and their inability to a productive judgement of their workers can create havoc on the organizations mission to achieve long term targets (Arthur, 2013).

2.5.7 Employee retention

According to Bernardin & Wiatrowski (2013), performance appraisal is a system through which organizations measures the performance of the employees against benchmark or the desired expectations. Vignaswaran (2012) delineated that the performance appraisal system influences the employee's satisfaction level which subsequently affects their retention decisions. The employees feel satisfied if the appraisal is accurate, fair and constructive which can subsequently help in employee retention and in reducing the turnover as contented employees are less likely to quit from the organization. Whereas, the situation can be vice versa and can lead to high

turnover if inaccurate and biased appraisal strategies are adopted as it would raise the discontentment of the employees.

According to Rusli & Camelia (2012), performance appraisal politics can have serious influence upon employee's decision to stay with the company as it affects their job satisfaction level and an environment of deception and politics if felt in appraisal process can be an obstacle in retaining valuable employees. Similarly, Mollel & Mulongo (2017), suggested that the productivity, commitment and willingness of an employee to stay with the organization can be positively influenced by appraising them constructively and through using the tool of recognition as it augments their motivation level. Moreover, he suggests that poorly communicating the appraisal feedback and absence or shortage of incentives are major factors that act as a barrier in employee retention and lead to high turnover. Moreover, their study further suggested that training and setting proper appraisal system can aid in increasing the productivity of employees as dissatisfaction can result in loss for the organization as it not only reduces retention rate but also hampers efficiency and enthusiasm of employees.

The study by Poon (2014) depicted that when employees considered the appraisal system to be manipulated by appraisers with the intention to fulfill grudges from the subordinates or due to personal bias their intention to quit the organization increased. Moreover, appraisal also affects the morale and self worth of employees. Therefore, critical appraisal can discourage the employees and their keenness to work in the organization diminishes. Thus, performance appraisal plays significant role

2.5.8 Recognition

Employees in every organization appreciate the recognition for their efforts. Well-recognized are more motivated and driven to meaningfully contribute to the organization's goals. They form better work relationships and a stronger network within the organization. A study by Kaufman et al. (2013) conducted a study to determine this relationship and reached at the same conclusion. This study is very comprehensive and produces highly valid results. It was conducted in two phases: in the first phase, interviews and focus group of more than 90 participants across four major cities of USA, Mumbai, India and Frankfurt, Germany were conducted and in the second stage, in-

depth interviews of executive were taken. One of the major contributions of this study is that the research methodology used incorporates both the employees' and employers' perspectives. In the second stage, a quantitative survey of 2415 employees working in 10 different countries was conducted. Using the large sample, the data obtained confirmed the existing literature that recognition of employees through appraisals does indeed improve their engagement and motivation level. For perspective, the majority reported that an addition 5% bonus in salary is less desirable than recognition. Performance appraisals provide a systematic way to recognize performance. These results were consistent across all the countries.

2.5.9   Internal communication

Different aspect of organizational communication directly impact the employee motivation level. This is particularly true for the performance feedback because of its importance in the whole assessment process. By talking to employees about their performance in the organization, one can create a culture of communication which goes both ways. Performance appraisal provides a systematic process to convey clearly what the boss thinks of employees. More than often, tensions rile up because the point-of-view of both parties get muddled. Performance appraisal helps in solving this issue. This claim was tested by Proctor (2014) in her study of Employees Division of Southern Utah University. It was found that feedback regarding the job performance and expectations directly impacted the motivation and satisfaction level. However, the results of this study are constrained by its small sample size. Chitrao (2014) conducted a similar study but in the retail sector and with a relatively larger sample size. The findings of both the studies are same. Feedback regarding what is correct and what needs to be improved must be communicated by the employer to the employee. The study also recommends giving performance appraisals on consistent basis. A preventive approach which identifies the flaws in job performance earlier is always better rather than a reactive approach which later reprimands the employees for bad performance. The later can bring down the morale of the workforce and introduce the element of blame-shifting too.

2.5.10 Salary and compensation plan

A study conducted by Agyare et al. (2016). The authors used a sample of 200 respondents working in a microfinance organization in Ghana. Using the data obtained from these respondents, the study concluded that employee motivation and commitment is directly impacted by the performance appraisal provided that it is linked with the salary and reward system. Pay-for-performance is a widely-debated compensation system. Performance appraisal strategy form the foundation for this system, for one tie the pay with performance until unless the performance is measured. Nyberg et al (2016) argue in favour of pay-for-performance system citing evidence of the data obtained from 11,939 employees over the period of five years. The results show that performance appraisal, if effectively used on fair and merit basis, can produce a scale against which to offer bonuses and other money cash rewards. This can act as a motivator for the employees in the long run.

Kampkotter et al (2017) focuses on the reaction of employees on formal performance appraisal systems that companies practice. Performance appraisals must be fair enough for employees to remain motivated. Employees feel that their efforts are valued if they are offered monetary or non-monetary benefits when they work hard or do something extra. On the other hand, it is also important to consider the role of leaders who encourage employees by confirming their leadership style to be trustworthy and competent. It not only ensures psychological well-being of the employees, but also leads to job satisfaction. However, being too vigilant towards the employees is also not preferable because it leads to low motivation, as mentioned by the author.

2.6   Conceptual Framework

It has been clear from the above literature survey that the factors governing the employee motivation are largely different for each organization. Therefore, a research gap has been identified to assess the role of performance appraisals on the employee motivation at Turkish NGO's.

The below conceptual framework has been designed to be tested in this study.

Figure 2.1: Conceptual Framework of the Study

As shown in above figure, the effective appraisal system is the independent variable which influences the positive perceptions of employees and hence the employee motivations. The effectiveness of appraisal system would be evaluated by using the factors of bias avoidance, quality of leadership and communication, diversity appreciation, evaluation standards and the change management efficiency. The employee perceptions would be investigated by testing the factors of their organizational commitment, job satisfaction, perceptions about organizational justice, satisfaction with training and development, and satisfaction with salary and recognition. Finally, the impact of all these will be seen on the employee motivation for the employees of Turkish NGO's.

2.7   Conclusion

This chapter summarized the review of the scholarly work done in the areas of performance appraisals, their importance and advantages in the context of employee motivation. It has been identified through the literature review that performance appraisal affects the employee motivation as it influences the employees' perceptions about the organizational justice, their job satisfaction, and organizational commitment. The factors which influence the quality of performance appraisal process have also been identified. In the light of the literature review, a conceptual framework has been presented which would be tested in this dissertation.

3. RESEARCH METHODOLOGY

Selecting an appropriate research methodology effects on appropriateness, development and assessment of the research findings. The research method practiced should be applicable and apposite to the research context (Venkatesh et al, 2013). research method should be complementary to the subject (Wind and Green, 2011). There are certain questions which a researcher has to consider before choosing a particular research method. For instance, whether the research is qualitative or quantitative? who will be conducting the data collection? , what method of research would be best to answer the research question? What methods are linked with the methodology and what kind of data do a researcher need? Assessment of quality of research methods to be utilized delivers the much needed validation to the cause and presents data from a more authenticated perspective. This chapter details the major elements of research design used in this dissertation along with the ethical stance.

3.1 Research Philosophy

A research philosophy depicts how the data of a particular study should be collected and analysed. It defines the beliefs researcher has and the assumptions he makes while viewing the world which forms the basis of strategy used for the research (Collins, 2010). Three most commonly used research philosophies include positivism, interpretivism and realism. Positivist research focuses on law like generalizations and believes that various researchers while investigating upon similar factual problems/issues will obtain parallel outcomes if statistical tests are cautiously applied and same research process is used for examination (Wahyuni, 2012). Positivism focuses on obtaining objective knowledge by adopting scientific methods of investigation therefore it is used when the research method is quantitative in nature.

On the other hand, interpretivism considers that reality is created by the perceptions of people and is influenced by surroundings because everyone has their own unique background, experience, etc. As individual perspectives are subjective so social reality often transforms gradually therefore, interpretivism emphasizes subjective analysis for accurate representation of reality. It is typically used when the research method is qualitative in nature (Wahyuni, 2012). Finally, realism believes that things persist within the human mind and reality is independent of it. It is often considered as a concept that fortifies quantitative research. (Saunders et al, 2012). All three research philosophies are important in their own aspects as positivism caters the institutions or groups in the society where as interpretivism lean towards an individual of any society. Realism is different in contrast to these two philosophies and usually scientist and such people approach this to collect data and observe.

Due to the nature of this study, the positivism research philosophy has been selected. The rationale for selecting this philosophy is the compliance with the deductive research approach which is followed in this study. First, the perceptions and views of previous have been consulted to develop the conceptual framework and the same has then been tested for the collected data.

3.2   Research Approach

A scientific methodology which sets guidelines and instructions for researchers is known as a Research Approach. Commonly used research approaches includes inductive and deductive.

An inductive approach to research condenses raw data into a brief statement that establishes clear links with the research objective and the underlying general experiences prominent in the raw data (Thomas, 2006). In this approach, observations are made in the beginning and then theories are proposed towards the end of the research (Blanche, et al, 2006). It is important to stress upon the fact that this approach does not entail the disregarding of theories when research questions and goal are being formulated. On the other hand, deductive approach is making deductions from the results obtained after testing a hypothesis-prediction theory (Bryman 2015). Hence, this approach is used to

evaluate propositions of a particular existing theory and then to further verify or falsify it (Silver & Lewins, 2014). The difference between these two approaches can be explained as the step in research is 'conceiving a theory'. In second step, the researcher uses deductive approach to elaborate a theory by applying hypothesis. Then a theory is constructed upon logical reasoning and different concepts are modified. Finally, the third step is 'justifying the theory', where theory is tested and evaluated using inductive reasoning. Usually the researchers start their research with a social theory and then test its validity and implications with that they have collected (Wayne & Muntermann, 2011).

For the present study, deductive research approach has been chosen. This is because the theoretical framework for the study has been derived from the research of previous scholars. The framework would then be validated in the light of the survey findings. Hence, the top-down research approach has been found to be most appropriate for conducting this research.

3.3 Research Design

Research design is a detailed plan of how the research will be carried out. Most commonly used research designs include exploratory, explanatory, descriptive and analytical.

Exploratory Research is done to discover new ideas and insights. This research is done when the person has an idea about the problem or the situation., they have some insight to the problem. In this, researcher may use different methods such as interviews, trials or interviews etc. For instance, a police officer is investigating more about the crime by taking interviews from the people. Explanatory research refers to connecting ideas in order to understand cause and effect to know what's going on (Strydom, 2014).

Descriptive research is done to discover the characteristics of people, products, service etc. It gathers the quantifiable information that can be used through the data analysis. Finally, analytical research refers to critical thinking and evaluating information and facts related to the research issue (Kelley, 2003). This involves critical thinking skills and the evaluation of information in connection to the research. The

35

analytical studies are mostly conducted when data regarding a subject is unknown. It is used to test causes and depend on existing data.

The above four research designs are different from each other in all ways according to their preference and suitable situation. Exploratory approach appeals consumer's dealers and marketing persons more whereas the explanatory approach is preferred by full time researchers. Analytical approach is used by people in scientific field mostly and descriptive approach is normally used in data gathering situations so no field can be confined to it.

For the present dissertation, explanatory research design has been chosen in order to study the influence of performance appraisal strategies over the employee motivations. For this study, it was important to choose a research design that the researcher was able to conduct and was not outside his limits. The choice of the research design has a clear influence over the judgement about the cause and effect factors. Due to providing a chance to the researcher to study the cause and effect relationship between the study variables, explanatory design was of significant assistance to verify the conceptual framework.

3.4 Research Strategy

Research strategy is the methodology used to test the research issue. The two methods employed by researchers are case study and survey. Case study includes in-depth study about an individual, group or a particular situation whereas in a survey, data is gathered from the whole population or a large sample to understand opinions on a specific situation. Case study, comprising of in-depth data, is used for qualitative research and surveys, comprising of numerical data, are used for quantitative research (Gable, 1994).

The survey strategy has been used for this dissertation as the focus in on collecting employee perceptions about the performance appraisal strategies implemented by the organizations. The survey strategy provided the researcher with a chance to collect responses from a large number of employees in structured manner which were easy to analyze using statistical frequency distribution analysis.

3.5   Sampling Technique

Sampling methods are used by the researcher to define the target audience for the research. There are two sampling methods used in survey research; probability sampling and non-probability sampling. In probability sampling, each member of the populations has a known non-zero probability of being selected. For example, random sampling, systematic sampling and stratified sampling. On the other hand, in non-probability sampling, there is an idea that there is an equal distribution of characteristics in the population. This makes researcher believes that any sample would represent and are not selected randomly, like in probability sampling. Non-probability samples are less reliable then the probability samples. For example, in probability sampling, researchers randomly choose students from whole school for the experiment and not only the particular class. Example strategies based on non-probability sampling include convenience sampling, judgement sampling and quota sampling. Another difference between the two sampling schemes is that in probability sampling the degree to which a sample would differ from population, known as sampling error, is known. On the other hand, this error cannot be calculated in non-probability sampling (Barreiro & Albandoz, 2001).

For this study, simple random sampling has been used to select the survey respondents. In simple random sampling, each member of the population has an equal chance of being selected. However, if the population is very large, then it is difficult to identify every member of the population for sample and hence, the results can be biased. The selection of sampling technique ensured that any employee could be selected from the organizations which provided the researcher with a chance of having opinion from randomly selected participants rather than having responses from the employees having similar perceptions.

3.6   Data Collection Method

Primary research can be defined as a research that involves the collection of first-hand data rather than collecting the information from databases, books and published journals. This type of research is mainly based on the doctrines of scientific methods that allow a

researcher to explore the observable phenomenon occurring in the surroundings (Driscoll, 2011). Usually the primary research is conducted through administering survey, interview or focus group questionnaire on the audience of interest. On the other hand, secondary research is a research that uses published data collected by someone else. Original data can also be used in a secondary research if it is accessible from an archive (Church, 2001). Secondary data helps in fact findings, data mining, and model building by extraction of information from different resources.

Both the primary and secondary research methods have been deployed for this study. The secondary research was conducted to develop the conceptual framework and the primary research was then conducted to validate the framework. For secondary data, the peer-reviewed scholarly articles have been consulted for review. These articles have been searched using Google Scholar. On the other hand, for the primary research, the closed-ended survey questionnaire has been used. The questionnaire was administered over the employees of NGO working at different hierarchical levels. On total, 200 survey forms were distributed among the employees working at the levels of top management, middle management and transactional.

The survey instrument has been designed using 5-point Likert scale which provided the options 1=Strongly Disagree, 2= Disagree, 3= Neutral, 4= Agree, 5= Strongly Agree. The rationale behind using closed ended survey forms is the simplicity associated with the data analysis. Using such a questionnaire, the researcher became able to collect comprehensive responses from employees in the minimum possible time. Hence, the survey strategy was found to be more feasible as compared to other data collection methods of interviews or focus groups.

3.7   Ethical Stance

Ethics are the norms for conduct that differentiate between acceptable and unacceptable behaviour, particularly when dealing with the human subjects. This study involved coordination and cooperation among the researcher and the employees surveyed, hence the ethical stance was taken care of. It is essential for the researcher to follow the ethical norms as it ensures that the bias-free findings are produced without hurting the research

participants by any means. The ethical principles of confidentiality and anonymity were taken care of in this study. Furthermore, the informed consent was also ensured where all the participants were explained the fundamental aims of the research and how could the findings be beneficial for them.

4. ANALYSIS AND DISCUSSION

4.1 Introduction

This chapter is focused on the description of the results obtained from the participants of the study and different tests are applied for the description of the data obtained from the participants.

4.2 Frequency Distribution Analysis
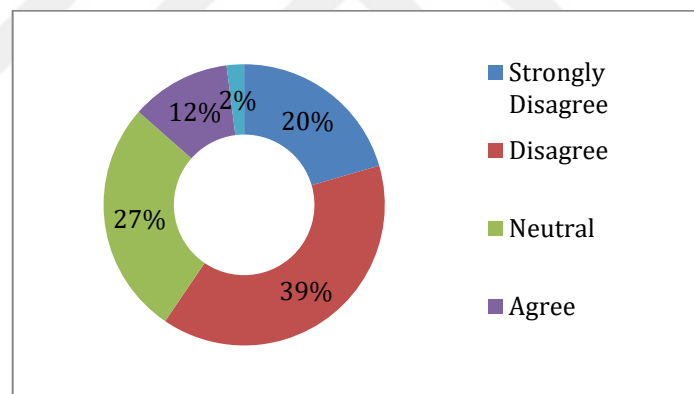
Figure 4.1: Question 1 - Applicants for the job at my organization take formal tests for selection and promotion

The employees were asked whether the applicants are evaluated by conducting formal tests at the time of selection and promotion. The responses of this question have been depicted by figure 1. 20% of the employees strongly disagreed and 39% disagreed with the statement, whereas 27% were neutral. Only 12% agreed and 2% strongly agreed. This trend clearly shows that there is no established process for conducting the formal test of job candidates for selection or the employees for promotion.

As per the previous scholars, performance appraisal is a crucial internal process as it directly influences the work lives of the employees. Based on their performance

evaluations, they have to face the subsequent consequences. The employee's contentment and motivation is directly influenced through this process because inaccurate or poor evaluation often discourages the employees. Moreover, if despite of good performance the employees aren't given any rewards they feel dejected (DeNisi & Smith, 2014). Therefore, the employees tend to remain satisfied when the entire process is fair and accurate i.e. the evaluation is done through comprehensive analysis of their performance and formal methods are adopted.

One vital element of performance appraisal is that it provides basis for deciding the proportion of incentives that every employee should receive which must reflect their performance throughout the tenure. Most of the employees especially the assiduous and diligent ones expect promotions, increments and other benefits during performance appraisals. This requires a well-trained appraiser who accurately knows how to assess and has complete information based upon which the employees' performance can be judged. The appraiser must consider various factors when evaluating the employees and instead of focusing on the personal relation with the employee, the appraiser must strictly emphasize upon his/her organizational performance and then evaluate accordingly. The criterion for judging requires comparing the performance against the required standards and established goals. Therefore, the performance must be evaluated in terms of financial gains, targets, objectives, behavior etc. Using this as the basis, the good performing employees should be selected and considered for promotions. Furthermore, to ensure that the most deserving and capable employees from the selected ones are promoted, formalized methods can be adopted such as tests, interviews etc. (Culbertson et al, 2013). This leads to a fair system in which employees are promoted based on their capabilities as those employees who fulfill the required criteria for the required designation are promoted.

The fair system keeps the employees satisfied and motivated to work productively as they are familiar that the system is transparent and if they work hard they would be rewarded. On the contrary, prejudice in the promotions and incentive distribution can discourage hardworking employees as it leads to resentment and frustration among employees. This discouragement can significantly diminish their productivity and can lead to employee turnover as they start looking for other jobs (Darehzereshki, 2013).

Therefore, the NGO's of Turkey have been found to lacking to develop employee motivation through the formal appraisal methods.
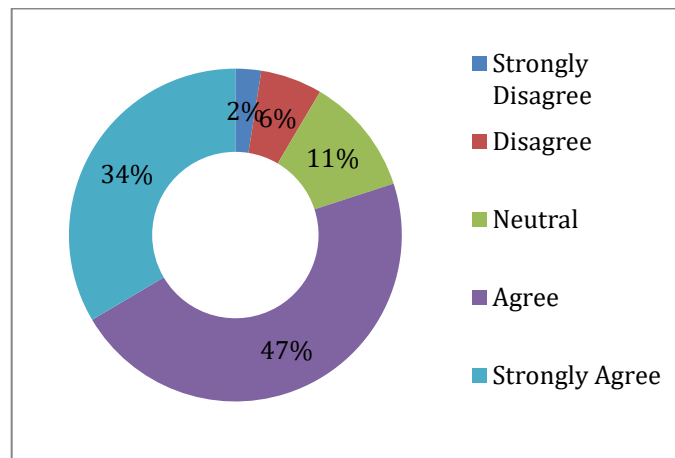
Figure 4.2:   Question 2 - The company offers a chance to the employees to earn performance based bonuses

The employees were asked whether the company offers them the chance to earn performance based bonuses. As the figure 2 shows, around 34% strongly agreed and even more so 47% agreed with the statement. Only 6% of the employees disagreed and mere 2% showed strong disapproval, denying the presence of any such chance where they could earn performance based bonuses. Around 11% remained neutral. Overall, the trend as indicated by responses shows that employees can earn bonuses based on their performance.

It was also established on chapter 2 that along with appraising the employees accurately, it is essential that they should be provided the rewards accordingly. The process does not only ends on determining whether the employee performed good, satisfactory, bad or extraordinary rather based on these evaluations, they must be provided monetary and non-monetary benefits. This approach aids in keeping the employees motivated and contended as especially the good performing employees expect benefits as an encouragement of their efforts. The organizations provide various benefits and incentives based upon the needs of the employees and the resources of the organization. Bonus is one of the motivator that can be used to keep the employees contented. Therefore, some organizations provide bonuses as additional financial incentive to the

employees who perform well and achieve their objectives so that they can be encouraged to performance better in future as well. This helps in increasing the productivity of employees as they feel that the organization appreciates their efforts and cares for their well being. Moreover, the employees are provided increment in their salaries based on their performance i.e. if the employee's evaluation depicts high performance and successful achievement of their respective objectives/targets, they are provided higher increment. In this way, the percentage of increment is decided as based upon the employee's performance, achievements and efforts (Dobre, 2013). Thus, these bonuses can be encouraging to enhance the performance of the employees.

Despite of the fact that bonuses are an effective tool that can be used as a reward, the organization is not always in the position to provided bonuses to every good performing employee due to budget constraints. In this situation, other than bonuses, appreciation can be provided through recognition and it can be used as a tool to keep the employees motivated and satisfied. This includes appreciating their work through certifications, employee of the month badges, posting their names and pictures in internal newsletters, billboards etc. This is because recognition is an equally important motivator especially for those employees who are less financially focused and rather look for other aspects that can satisfy their needs. Therefore, appreciation provided to them other than through financial incentives also helps in fulfilling their intrinsic motivation by increasing their self-worth and confidence (Kaufman et al, 2013). Thus, the Turkish NGOs have been successful by offering the employees performance based bonuses which keep them encouraged and satisfied as per their requirements.
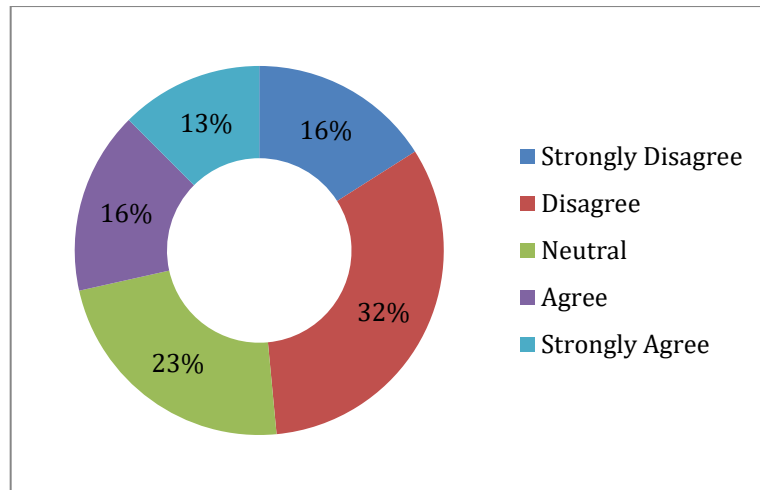
Figure 4.3: Question 3 - At least once a year, the employees receive feedback on their performance

The employees were asked whether they receive any feedback about their performance, at least once a year. The responses as depicted in figure 3 show that, around 13% strongly agreed while 16% just agreed with the statement. A large fraction of people hovering around 32% disagreed with the statement while 16% further strongly disagreed with it. Around 23% chose to remain neutral. Overall, the trend shows that there is no feedback given to employees, not even once a year.

It has been found in the literature survey that one of the essential steps involved in performance management system is providing appropriate and timely feedback to the employees. This is necessary to ensure that performance appraisal is a two way communication otherwise it won't be effective. Once, the performance of the employees has been carefully scrutinized and measured against the standards, it is essential to communicate this to them. For this, a performance appraisal meeting can be organized. However, the communication is a very critical part as the emotions and the expectations of the employees must be considered. Various employees expect promotions and bonuses as they consider their performance to be very good which is sometimes not the case and they are unable to fulfill that criteria. Similarly, some employees expect higher amount of increments for their performances (Bernardin & Wiatrowski, 2013). Therefore, the employees must be communicated appropriately in such a way that their queries are entertained and they are explained their deficiencies.

44

The appraisal feedback should be constructive rather than critical. According to Boswell & Boudreau (2013) one of the major objectives of appraisal is to identify the weaknesses of employees so that they can be further developed and their shortcomings can be overcome. Moreover, it is also an opportunity for the employees to communicate any obstacles they are facing that are hindering their performance and then the organization can work upon resolving their issues. Apart from this, the performance of good and extraordinary employees must be appreciated so that they feel motivated. However, the low performing employees shouldn't be belittled otherwise it can lead to discouragement, frustration, jealousy, internal politics etc. which will subsequently reduce the productivity of the organization.

The aura of the performance appraisal meeting should be supportive and encouraging. The employees must be engaged in the discussion and they should be provided the opportunity to discuss their comments on their performance and their issues, if any. The appraisal should be clearly elaborated to the employees in such a way that they do not take it negatively. The feedback should include positives as well as negatives as utterly critical remarks can lead to severe discouragement. Then, the development plan should be made to ensure that the employees can increase their performance by identifying the areas where they need improvement. A collaborative strategy can be made with the employees of the ways through which they can improve. For instance, if an employee is lacking due to communication skills, he/she can be provided opportunity by the organization (through diploma courses, language classes etc.) to progress in this avenue. In this way, the feedback can be made effective to ensure that the performance of the employees increases without discouraging them. However, the provision of feedback should not be restricted till performance appraisal and should be a continuous process that must be provided as and when required so that the employees can correct their performance at every stage (Denisi & Kulger, 2012). A transparent and constructive feedback system reduces vagueness and ambiguity among employees and they become clear about their performances, targets and the areas where they can improve. Thus, an effective feedback system can aid in keeping the employees motivated and committed with the organization, which is at present found to be lacking at the Turkish NGOs.
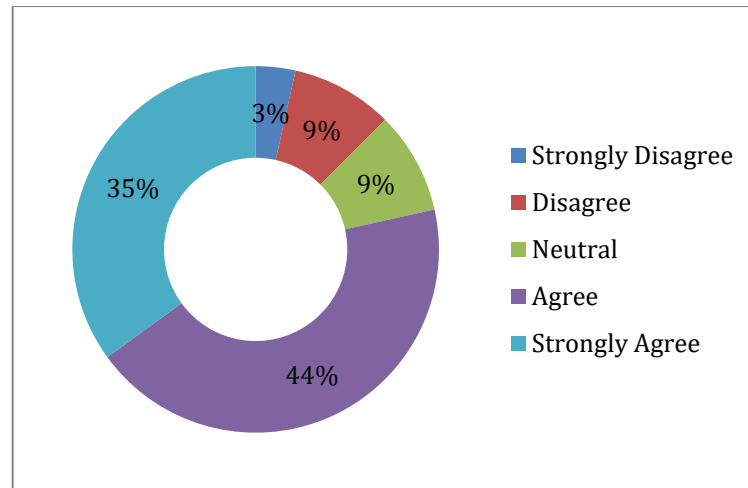
Figure 4.4:   Question 4 - Pay raises at our company are based on formal performance monitoring

The employees were asked whether the pay raises are made on the basis of a formal performance monitoring system. As the figure 4 shows, around 44% agreed with the statement and another 35% of the respondents strongly agreed with it. Whereas 0nly 9% of the employees disagreed and mere 3% showed strong disapproval. Around 9% chose to remain neutral. Overall, the trend as indicated by responses shows that by large pay raises are indeed made on the basis of formal performance monitoring.

In the light of literature survey, it has been confirmed that achieving meritocracy in the organization is a challenging task that demands a clear transparent system in all spheres of business, and with a system as controversial as pay-for-performance, then need for transparency becomes even more critical. Pay raises awarded on the basis of performance are simply based on the premise that a monetary reward can act as a strong incentive for influencing the efforts that employees put in their work. Such a system distinguishes the efficient workers from less efficient workers and strives to pay for their efforts justifiably. For a pay for performance system to work, the performance appraisal system needs to be sophisticated enough to have minimal or not at all any biases. A transparent appraisal process reduces the biases and prejudices and evaluates the employees solely on the basis of their performance (Wenzel et al, 2017).

Considering that performance in this system acts as the common denominator again which all employees are judged, it is highly important to measure this one metric

accurately. This is why performance appraisal process needs to be as much transparent as possible. Both poor design and implementation of a performance appraisal process can render the pay-for-performance system ineffective. For an organization, it is important to not play in encouraging inequalities between the various groups of society. To do any such thing would not only make the situation worse for the individual at the receiving end, but also hurt the development of organization, its public image, and most probably give rise to a PR crisis. A transparent performance appraisal process therefore is of utmost importance to avoid any such disaster (Frey et al, 2013).
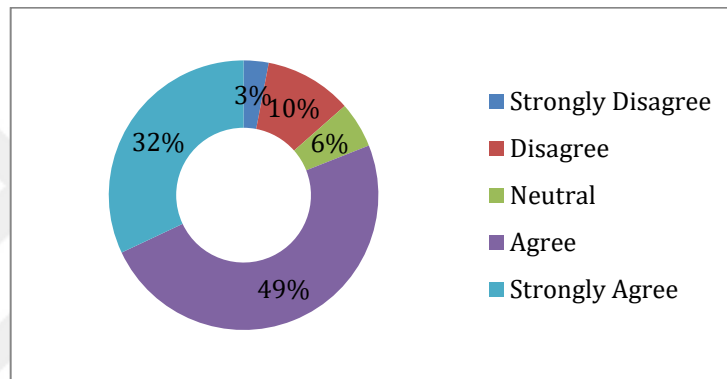
Figure 4.5: Question 5 - There is no bias in the performance appraisal process at the organization

The employees were asked if there exists no bias in the performance appraisal process at the organization. The responses as depicted in figure 5 show that, 32% of the respondents strongly agree with the statement, along with another 49% who also agree with it, thus showing that for majority of the respondents, there is no bias in the performance appraisal system. However, around 3% employees strongly disagreed with the statement in addition to 10% who also disagreed with it. Around 6% chose to remain neutral. Overall, the trend shows that in opinion of majority of the employees, performance appraisal system at the organization has no bias.

Since performance appraisal is a very fundamental process that significantly influences the employees therefore as per the previous authors, one of the most essential factors involved is to keep the system fair and transparent. The performance management system should be free of all sorts of biasness. This includes various types of biasness for instance the appraiser must not provide favors to any employee based on his/her

relationship with the employee or personal liking or disliking. Similarly, there should not be any sort of biasness based upon gender, race, religion, culture backgrounds, status etc.

Nepotism should be strictly avoided as often due to amiable relations with the supervisors, the employees attain promotions and other incentives because they are provided favors by their respective heads. The prevalence of these sorts of biasness at work place can be extremely detrimental for the productivity of the organization and it can make the employees miserable and can lead to employee frustration, dissatisfaction and umbrage. This is because when the employees feel that injustice persists and that they are not rewarded based on their efforts and rather prejudice exists, they start to lose interest in their jobs and their performance diminishes. Furthermore, it creates an environment of hostility and jealousy where the employees start politics, form groups and overall team spirit gets destroyed. The eagerness of the employees to help each other reduces and their commitment to the organization also diminishes. Therefore, the organization is not able to achieve its objectives because a successful organization requires immense support from the employees through their full devotion, loyalty and dedication. However, biasness can be a huge impediment to these traits as employees feel disappointed and instead of performing well they start looking for other job opportunities which eventually leads to loss of talent (Keeping & Levy, 2012). Therefore, it is extremely vital to ensure that the appraisal system is based upon critical and honest evaluation of performance.

The personal relations should be strictly kept aside when evaluating the employees and rather than focusing on the individual, the focus of the appraiser should be on his/her performance. For this the appraiser, must be properly trained and must be provided accurate basis and information that can be used for assessment. Also, a 360-degree approach can be an effective technique to ensure fairness in which the employees are not appraised by only one person but by multiple people like their supervisors, subordinates as well as peers. This type of fairness is essential as it leads to and builds the trust of the employees. When the employees are confident that their efforts are recognized and they have been evaluated sincerely, they get more contended and glad with their jobs. Furthermore, they must be provided appropriate feedback and all their queries must be

entertained so that they do not feel any vagueness or perceive any biasness (Espinilla et al, 2013). The establishment of this type of performance management system can be very productive for the success of the organization as it can lead to greater employee productivity, satisfaction, engagement and dedication. Thus, in light of literature as well as survey findings, Turkish NGO's have been able to achieve employee motivation through fair performance appraisal strategies.
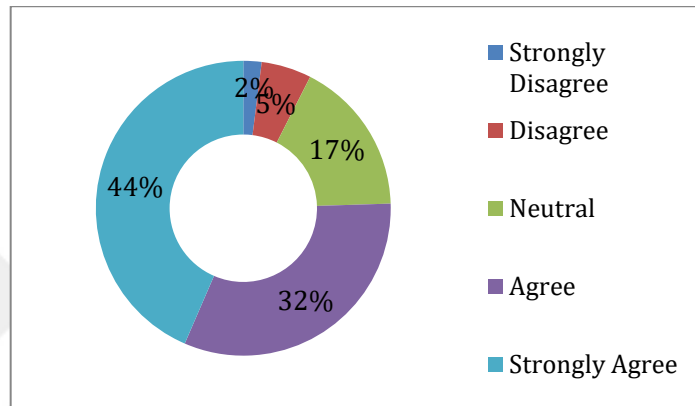
Figure 4.6: Question 6 - I am interested to work harder for the company

The employees were asked whether they are interested in working harder for the company. As figure 6 shows that around 44% of the employees strongly agree with the statement while another 32% employees also agree with it. This shows that overall two-thirds of the respondents are interested in working harder for the company. Only 5% of employees showed disapproval as well as another 2% who showed strong disapproval. The overall trend points towards a positive sentiment in the workforce regarding working hard for the company.
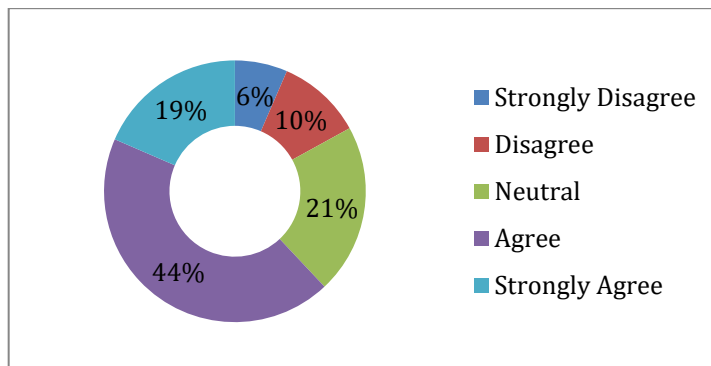
Figure 4.7: Question 7 - I am proud to work for this organization

The employees were asked whether they are proud to work for the organization. The responses, as depicted by figure 7, show that while 19% strongly agree with the statement, an overwhelming number of employees, around 44% also agree with it. On the other hand, 10% disagree with the statement and another 6% strongly disagree. Around 21% employees chose to remain neutral. The overall trend shows that employees feel proud to work in their organization.
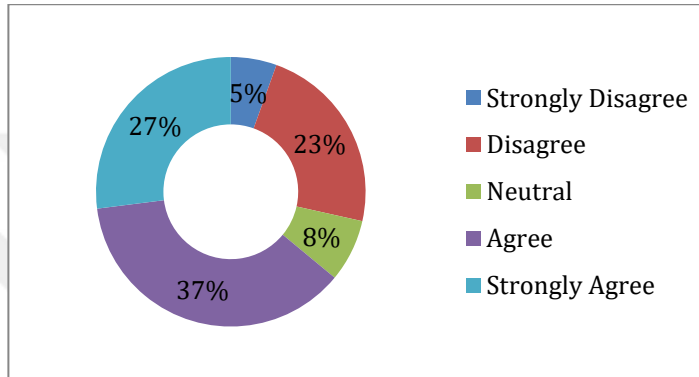
Figure 4.8:   Question 8 - I would refer a friend to come work at this organization

The employees were asked whether they would refer their friends to come work at the organization. As the figure 8 shows, around 37% agreed with the statement and another 27% of the respondents strongly agreed with it. Around 23% of the employees disagreed and 3% showed strong disapproval of the statement. Around 8% chose to remain neutral. Overall, the trend as indicated by responses shows that majority of the employees would refer their friends to work at this organization, but there is also a considerable number of people who would avoid this.
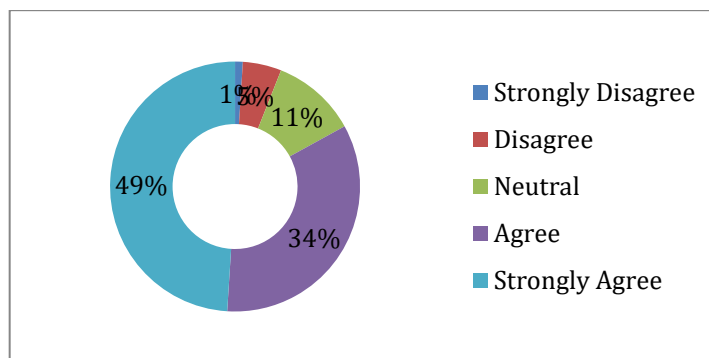
Figure 4.9:   Question 9 - I feel a strong sense of belonging to this organization

The employees were asked whether they feel a strong sense of belonging to this organization. As the figure 9 shows, around 49% strongly agreed with the statement. 34% of the respondents strongly agreed with it. On the other hand, only 5% of the employees disagreed and mere 1% showed strong disapproval of the statement. Around 11% chose to remain neutral. Overall, the trend as indicated by responses shows that a strong sense of belonging to organization prevails in the workforce.
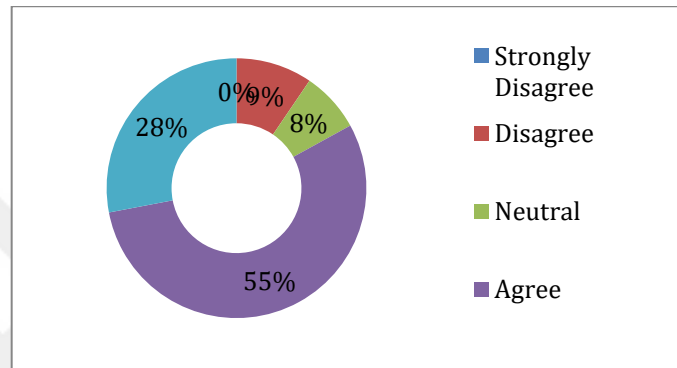
Figure 4.10: Question 10 - Due to the efficiency of the performance appraisal strategies, I get sense of achievement

The employees were asked whether they get sense of achievement due to the efficiency of the performance appraisal strategies. As the figure 10 shows, an overwhelming 55% of the employees agree with the statement. Another 28% of the respondents strongly agreed with the statement. While 8% chose to remain neutral, 9% disagreed. Nobody showed strong disapproval of the statement. Overall, the trend as indicated by responses shows that due to the efficiency of the performance appraisal strategies, employees get a sense of achievement.

The relationship between the efficient performance appraisal strategies and the employee motivation has already been seen in the literature survey. An efficient, well organized and transparent performance management system is very significant to motivate the employees to work with full dedication, devotion and commitment. This requires proper planning of the performance management system where all the objectives must be predetermined. Then, the goals and objectives must be communicated to the employees so that they are well aware of the objectives that are expected from them to be accomplished within a specific tenure. After the completion of the tenure, the

performance of the employees must be measured and compared with the standards in order to determine the quality of their performance. The employees must be communicated the feedback to ensure that they understand the appraisal and corrective measures should be taken to improve their performance. Based on this performance, the employees should be provided incentives that they deserve fairly so that they remain motivated and encouraged to further work efficiently.

However, there are certain factors that must be ensured during the performance appraisal system to maintain efficiency. The appraisers must be properly trained to avoid any sort of inaccuracy in the evaluations. Moreover, the employees often get more efficient when the performance appraisal is near therefore the recent performance must not be overly emphasized rather overall performance should be considered. Also, sometimes the performance of the employees is not bad due to internal factors but rather external factors for instance a sales person may not be able to achieve his/her target due to reduced demand of that product in the market. In such situation, the employee must not be evaluated poorly as the obstacle is due to external factor (Mikkelsen et al, 2017). Thus, this kind of well-organized system can lead to overall productivity in the organization.
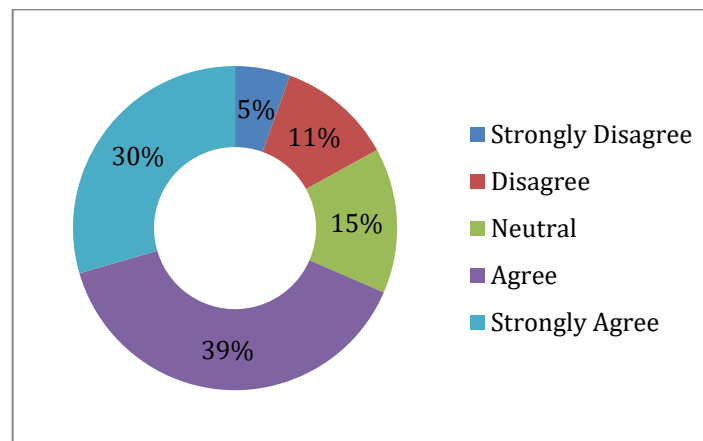
Figure 4.11: Question 11 - I am satisfied with the growth opportunities offered by the company as they are directly linked with the performance appraisal

The employees were asked whether they were satisfied with the growth opportunities offered by the company as they are directly linked with the performance appraisal. As the figure 11 shows, around 39% of the employees agree with the statement. Another

30% also strongly agreed with the statement. Only 5% showed strong disapproval, while 11% merely disagreed with the statement. Around 15% choose to remain neutral. Overall, the trend shows that employees are satisfied with the growth opportunities offered by the company.
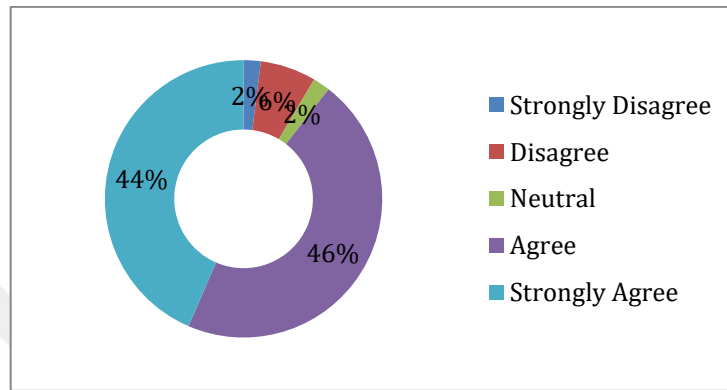
Figure 4.12: Question 12 - The performance appraisal strategies are directly linked with the reward and recognition programs of the organization

The employees were asked whether performance appraisal strategies are directly linked with the reward and recognition programs of the organization. As figure 12 shows, around 46% of the employees agreed with the statement while another 44% strongly agreed with it. Only 2% showed strong disapproval in addition to 6% who merely disagreed with the statement. Only 2% choose to remain neutral. Overall, the trend shows that employees favor the opinion that performance appraisal strategies are directly linked with the reward and recognition programs of the organization.
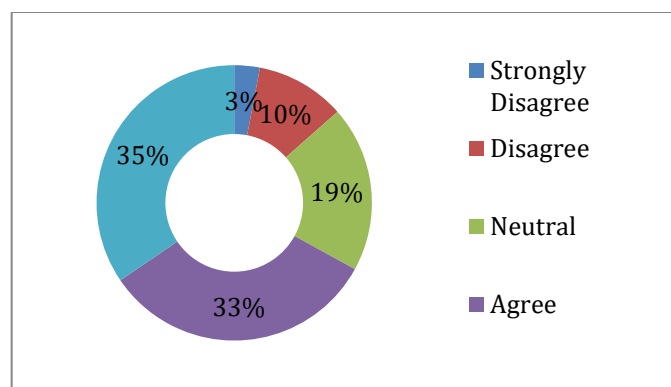
Figure 4.13: Question 13 - I am motivated to work at the organization because of the rewards and recognitions offered

The employees were asked whether they are motivated to work at the organization because of the rewards and recognitions offered. The responses as depicted in figure 13 show that, around 35% strongly agreed while 33% just agreed with the statement. A small fraction of people hovering around 10% disagreed with the statement while 3% further strongly disagreed with it. Around 19% chose to remain neutral. Overall, the trend shows that employees are motivated to work at the organization because of the rewards and recognitions offered.
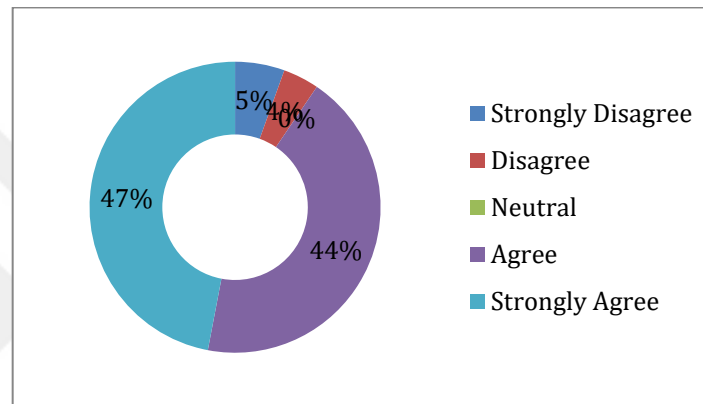
Figure 4.14: Question 14 - I am motivated to work at the organization because of the compensation and benefits offered

The employees were asked whether they are motivated to work at the organization because of the compensation and benefits offered. As figure 14 shows around 47% of the employees strongly agreed with the statement while another 44% employees also agreed with it. This shows that more than two-thirds of the respondents are motivated to work at the organization because of the compensation and benefits offered. Only 4% of employees showed disapproval as well as another 5% who showed strong disapproval.
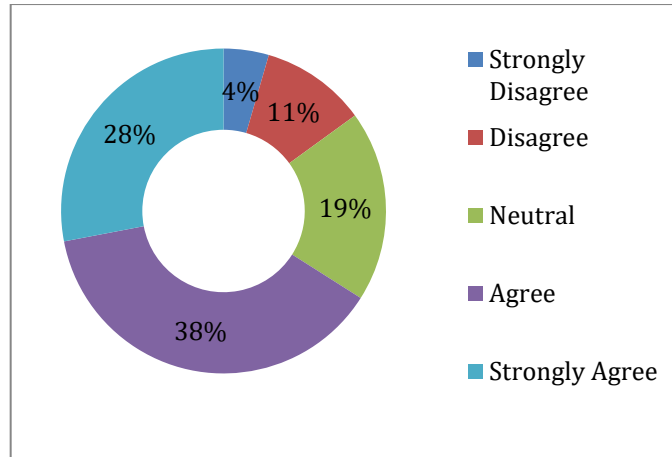
Figure 4.15: Question 15-I am motivated to work harder for the company because the promotion opportunities are justifiably linked with the performance appraisal process

The employees were asked whether they are motivated to work harder for the company because the promotion opportunities are justifiably linked with the performance appraisal process. As figure 15 shows, around 38% of the employees agreed with the statement while another 28% employees strongly agreed with it. 11% of employees showed disapproval as well as another 4% who showed strong disapproval. Around 19% of the employees took a neutral stance. The trend shows that since promotion opportunities are justifiably linked with the performance appraisal process, majority of the employees are motivated to work harder for the company.
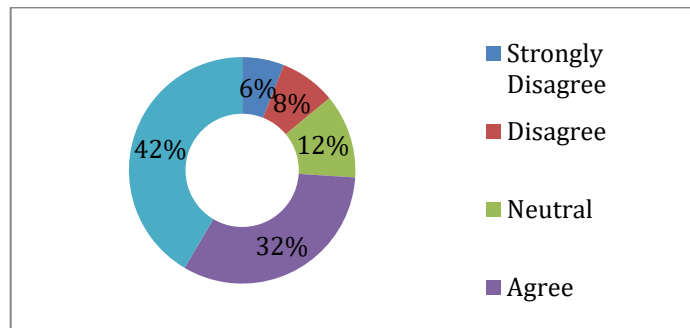
Figure 4.16: Question 16- Overall, I am satisfied working at this organization

The employees were asked whether they are satisfied working at this organization. The responses as depicted in figure 16 show that, around 42% strongly agreed while 32% just agreed with the statement. This makes the two-third of the workforce in favor of the statement. A fraction of people hovering around 8% disagreed with the statement while

6% further strongly disagreed with it. Around 12% chose to remain neutral. Overall, the trend shows that employees are satisfied with working at this organization.
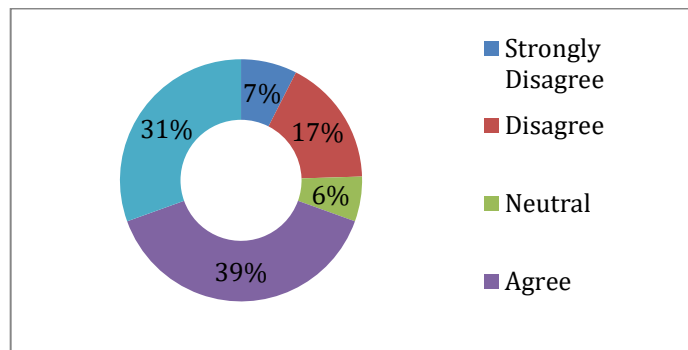
Figure 4.17: Question 17 - I do not intend to leave the organization for at least next 1 year

The employees were asked about not having intention to leave the organization for at least next 1 year. The responses, as depicted by figure 17, show that 31% strongly agree with the statement as well as an overwhelming number of employees, around 39% who strongly agree with it. On the other hand, 17% disagree with the statement and another 7% strongly disagree. Around 6% employees chose to remain neutral. The overall trend shows that majority of the employees do not intend to leave the organization for at least next 1 year.

4.3 Correlation Co-efficient Analysis

The following coding plan was used in SPSS for simplifying the analyses that were run:

Variable	Label	Value
Performance Appraisal Strategies Symbol: PAS Items (1-11) & (13-17)	Strongly Disagree	1
	Disagree	2
	Neutral	3
	Agree	4
	Strongly Agree	5
Employee Motivation Symbol: EM Items (12)	Strongly Disagree	1
	Disagree	2
	Neutral	3
	Agree	4
	Strongly Agree	5

56

The correlation analysis is applied to quantify the relationship between independent and dependent variables, and identify if there is any significant relationship between the variables. Here, the correlation coefficient (also known as the Pearson correlation factor) is derived using standard SPSS software, and the results are shared in below table.

The correlation co-efficient analysis has been provided below in order to identify the relationship between the study variables.

Correlations

		PAS1	PAS2	PAS3	PAS4	PAS5	PAS6	PAS7	PAS8	PAS9	PAS10	PAS11	EM	PAS12	PAS13	PAS14	PAS15	PAS16
PAS1	Pearson Correlation	1	.832*	.930*	.837*	.821*	.833*	.851*	.835*	.786*	.815**	.842**	.755*	.845**	.703**	.839**	.836**	.837**
	Sig. (2-tailed)		.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
	N	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200
PAS2	Pearson Correlation	.832*	1	.831*	.967*	.964*	.920*	.892*	.863*	.901*	.933**	.929**	.910*	.931**	.882**	.916**	.923**	.911**
	Sig. (2-tailed)	.000		.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
	N	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200
PAS3	Pearson Correlation	.930*	.831*	1	.831*	.837*	.822*	.875*	.871*	.824*	.865**	.876**	.767*	.868**	.734**	.889**	.825**	.850**
	Sig. (2-tailed)	.000	.000		.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
	N	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200
PAS4	Pearson Correlation	.837*	.967*	.831*	1	.968*	.923*	.897*	.871*	.907*	.923**	.934**	.892*	.949**	.869**	.926**	.946**	.918**
	Sig. (2-tailed)	.000	.000	.000		.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
	N	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200
PAS5	Pearson Correlation	.821*	.964*	.837*	.968*	1	.892*	.897*	.854*	.899*	.945**	.937**	.874*	.935**	.849**	.928**	.927**	.902**
	Sig. (2-tailed)	.000	.000	.000	.000		.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
	N	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200
PAS6	Pearson Correlation	.833*	.920*	.822*	.923*	.892*	1	.892*	.895*	.932*	.858**	.913**	.931*	.920**	.893**	.903**	.963**	.934**
	Sig. (2-tailed)	.000	.000	.000	.000	.000		.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
	N	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200
PAS7	Pearson Correlation	.851*	.892*	.875*	.897*	.897*	.892*	1	.925*	.905*	.901**	.942**	.841*	.917**	.837**	.941**	.911**	.915**
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000		.000	.000	.000	.000	.000	.000	.000	.000	.000	.000

58

	N	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200
PAS8	Pearson Correlation	.835[*]	.863[*]	.871[*]	.871[*]	.854[*]	.895[*]	.925[*]	1	.856[*]	.852[**]	.951[**]	.795[*]	.936[**]	.785[**]	.956[**]	.902[**]	.957[**]
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000		.000	.000	.000	.000	.000	.000	.000	.000	.000
	N	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200
PAS9	Pearson Correlation	.786[*]	.901[*]	.824[*]	.907[*]	.899[*]	.932[*]	.905[*]	.856[*]	1	.874[**]	.910[**]	.908[*]	.898[**]	.916[**]	.896[**]	.937[**]	.873[**]
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000		.000	.000	.000	.000	.000	.000	.000	.000
	N	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200
PAS10	Pearson Correlation	.815[*]	.933[*]	.865[*]	.923[*]	.945[*]	.858[*]	.901[*]	.852[*]	.874[*]	1	.933[**]	.872[*]	.889[**]	.863[**]	.930[**]	.890[**]	.885[**]
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000	.000		.000	.000	.000	.000	.000	.000	.000
	N	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200
PAS11	Pearson Correlation	.842[*]	.929[*]	.876[*]	.934[*]	.937[*]	.913[*]	.942[*]	.951[*]	.910[*]	.933[**]	1	.848[*]	.956[**]	.839[**]	.974[**]	.938[**]	.967[**]
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000		.000	.000	.000	.000	.000	.000
	N	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200
EM	Pearson Correlation	.755[*]	.910[*]	.767[*]	.892[*]	.874[*]	.931[*]	.841[*]	.795[*]	.908[*]	.872[**]	.848[**]	1	.870[**]	.960[**]	.851[**]	.908[**]	.827[**]
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000		.000	.000	.000	.000	.000
	N	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200
PAS12	Pearson Correlation	.845[*]	.931[*]	.868[*]	.949[*]	.935[*]	.920[*]	.917[*]	.936[*]	.898[*]	.889[**]	.956[**]	.870[*]	1	.842[**]	.961[**]	.939[**]	.942[**]
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000		.000	.000	.000	.000
	N	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200
PAS13	Pearson Correlation	.703[*]	.882[*]	.734[*]	.869[*]	.849[*]	.893[*]	.837[*]	.785[*]	.916[*]	.863[**]	.839[**]	.960[*]	.842[**]	1	.837[**]	.891[**]	.813[**]
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000		.000	.000	.000
	N	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200

		PAS1																
PAS14	Pearson Correlation	.839**	.916**	.889**	.926**	.928**	.903**	.941**	.956**	.896**	.930**	.974**	.851**	.961**	.837**	1	.927**	.945**
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000		.000	.000
	N	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200
PAS15	Pearson Correlation	.836**	.923**	.825**	.946**	.927**	.963**	.911**	.902**	.937**	.890**	.938**	.908**	.939**	.891**	.927**	1	.936**
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000		.000
	N	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200
PAS16	Pearson Correlation	.837**	.911**	.850**	.918**	.902**	.934**	.915**	.957**	.873**	.885**	.967**	.827**	.942**	.813**	.945**	.936**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	
	N	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200

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

The value of the Pearson coefficient falls in the range of -1 to +1, with (+) sign depicting a positive correlation where as a (-) sign depicting a negative correlation. Also, the strong or weak correlation is signified by the strength of the value, with the value closer to +1 or -1, the higher the correlation, and value closer to 0 (+ or -), the weaker the correlation. To perform the correlation test, a specific list of questions that link to emissions and trust factor are selected. Based on the above tables, it is clearly inferred that the performance appraisal strategies of the NGOs have been playing a positive role for influencing the employees' perceptions as well as for keeping them motivated to work for these organizations.

4.4 Regression Analysis

4.4.1 Determining how well the model fits

The first table to consider in the Regression Analysis is the **Model Summary**. This table provides the R, R^2, adjusted R^2, and the standard error of the estimate, which can be used to determine how well a regression model fits the study data:

Table 4.1: Model Summary

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.986[a]	.971	.969	.163

a. Predictors: (Constant), Performance Appraisal Strategies
b. Dependent Variable: Employee Motivation

The "**R**" column represents the value of R, the *multiple correlation coefficient*. R can be considered to be one measure of the quality of the prediction of the dependent variable; in this case, employee motivation. A value of 0.986, in this case, indicates a good level of prediction. The "**R Square**" column represents the R^2 value (also called the coefficient of determination), which is the proportion of variance in the dependent variable that can be explained by the independent variables (technically, it is the proportion of variation accounted for by the regression model above and beyond the

61

mean model). It can be noted from the value of 0.971 that independent variables explain 97.1% of the variability of study's dependent variable, employee motivation.

4.4.2 Statistical significance

Table 4.2: ANOVA

ANOVAa

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	164.038	16	10.252	387.918	.000b
	Residual	4.837	183	.026		
	Total	168.875	199			

a. Dependent Variable: Employee Motivation
b. Predictors: (Constant), Performance Appraisal Strategies

The F-ratio in the **ANOVA** table 4.2 tests whether the overall regression model is a good fit for the data. The table shows that the independent variables statistically significantly predict the dependent variable, $F(16, 183) = 387.918$, $p < .0005$ (i.e., the regression model is a good fit of the data).

4.4.3 Estimated model coefficients

Table 4.3: Coefficients

Coefficientsa

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
	B	Std. Error	Beta			Lower Bound	Upper Bound
(Constant)	-.017	.121		-.139	.890	-.255	.221
	-.036	.041	-.039	-.888	.376	-.117	.044
	.169	.064	.176	2.647	.009	.043	.295
	.025	.037	.034	.664	.508	-.049	.098
	-.122	.060	-.140	-2.010	.046	-.241	-.002
	-.045	.065	-.050	-.692	.490	-.172	.083
	.683	.060	.742	11.365	.000	.565	.802
	.003	.038	.004	.086	.931	-.072	.078
1 Performance Appraisal Strategies	-.063	.050	-.086	-1.272	.205	-.161	.035
	-.213	.056	-.211	-3.782	.000	-.325	-.102
	.242	.068	.226	3.543	.001	.107	.377
	.013	.071	.017	.188	.851	-.127	.154
	.237	.057	.284	4.133	.000	.124	.351
	.456	.037	.515	12.194	.000	.383	.530
	-.030	.066	-.037	-.463	.644	-.160	.099
	.017	.053	.022	.324	.746	-.088	.123
	-.342	.054	-.474	-6.354	.000	-.449	-.236

a. Dependent Variable: Employee Motivation

In the above table unstandardized coefficients indicate how much the dependent variable varies with an independent variable when all other independent variables are held constant.

Statistical Significance of the Independent Variable

The statistical significance of independent variable can be tested. This tests whether the unstandardized (or standardized) coefficients are equal to 0 (zero) in the population. Since $p < .05$, it can be concluded that the coefficients are statistically significantly different to 0 (zero). The t-value and corresponding p-value are located in the "t" and "Sig." columns, respectively, as presented in table 3.

It can be observed from the "Sig." column that independent variable coefficients are statistically significantly different from 0 (zero). Although the intercept, B_0, is tested for statistical significance, this is rarely an important or interesting finding.

4.4.4   Summary

A multiple regression was run to predict employee motivation from performance appraisal strategies. These variables statistically significantly predicted employee motivation, $F(16, 183) = 387.918$, $p < .0005$, $R^2 = .971$. All variables added statistically significantly to the prediction, $p < .05$.

5. CONCLUSION AND FUTURE WORK

5.1 Summary

Motivated employees are the livelihood of any organization. An organization which fails to motivate its employees will later or sooner experience high turnover and it will threaten the viability of business. A business venture may have strong foundation in terms of a good vision and adequate capital support, but if the employees are neglected, the business is ultimately going to be in turmoil. Among many methods to achieve high employee motivation and retention, developing and practicing efficient performance appraisal strategies has been regarded crucial.

Performance appraisal strategies are the best way to convey to the employees that their performance within the organization is being monitored closely. This means that they will need to live up to the organization's standards if they wish to receive any sort of reward and would, therefore, be motivated to do better at their jobs. Appraisal strategies also help employees realize their value as an important asset to the organization. Knowing that their actions make a difference makes them feel like they are essential to the organization's success and will push them to prove their worth as a useful resource that plays an integral part in the organization.

Employees need to be constantly improving themselves in order to remain competent. However, this motivation to improve only comes when they see whether their current standard of work is at par with the organization's set standards. Appraisal strategies help the employees see where they stand by identifying the areas where they are not performing well and create in them a desire to further improve the quality of their work. Motivation levels also skyrocket due the fear that should employees not be of the organization's standard, they might be demoted or fired. Appraisal strategies serve as an implicit warning that those who don't take their work seriously might be demoted or

fired, so they had better not slack off in a workplace that takes performance very seriously.

In order to be constantly motivated to perform well, employees need be recognized for the efforts they put in. Performance appraisal provides the validation and recognition that employees need amongst their peers. This, in turn, makes them more inclined to perform better than the all the previous times.

The present study investigated the role of performance appraisal strategies over employee motivation specifically for the Turkish NGOs. The conceptual framework indicating the independent variables effective appraisal systems and employee positive perceptions and the dependent variable employee motivation was designed using the past scholarly works. The rationale behind selecting the topic of dissertation was to suggest improvements for the performance appraisal strategies of Turkish NGOs in order to improve their employee motivation.

Simple random sampling was used to select 200 respondents of Turkish NGOs to collect their responses through structured survey. Frequent distribution analysis of the survey responses was performed to reach the study findings. The major findings of the study, in the light of literature review and employee survey are detailed in the following:

5.2   Major Findings

5.2.1   Inductions and promotions based on tests

Some consistent criteria for recruitment and promotion is absolutely necessary to ensure that the whole process has minimal biases. A lot of times, discriminatory practices intentionally or unintentionally find their way into the recruitment process. Having formal assessment reduces this subjectivity to a great extent, and allow an objective albeit not fully accurate measure of competency and skills as the criteria. When employees know that they all are being evaluated against the same criteria, then they would be much more satisfied, since they realize that they have got the equal chance. As per the survey results, it was found that Turkish NGOs are not very likely to induct and promote the employees by conducting the formal tests.

5.2.2 Transparent appraisal process

An appraisal process which is transparent enough for employees to properly understand is much more effective in contributing positively to the employees' motivation than an appraisal process which lacks this crucial element. Appraisals are a major factor for the career advancement of any employee. When that employee knows that he will be rewarded for his efforts because his appraisal is accurate and unbiased because of the transparency of the appraisal process, he can focus on improving his performance and working harder for the organization. Thus, it would not be wrong to say that transparency is the cornerstone of an effective appraisal process. For the Turkish NGOs, the performance appraisal was not found to be satisfactory as the employees reported that they did not receive performance feedback from the leaders even once a year.

5.2.3 Bias in performance appraisal and degraded employee motivation

If there is bias involved in the performance appraisal process, then there would be definitely be dissatisfaction among employees. Considering that appraisal make the base of several other important factors such as compensation, promotion etc. an employee will simply be dissatisfied with a tainted appraisal process. When there is no guarantee that the efforts will be matched by rewards, and may even result in a negative appraisal, then employees would not want to put in their best. This perception will sooner or later set in and reduce the motivation level of all the workforce, especially those who are dedicated to the job.

5.2.4 Link of growth strategies with performance appraisal

It is imperative to link the performance appraisal system with concrete goals and milestones. Career advancement is a major priority for a lot of employees. They await the growth opportunities so that they can grow their careers into bigger roles. By linking the growth strategy with the appraisal system ensures that their growth is based on some system rather than on the whims of a person. This reduces the feeling of bias among the employees to a great extent. Majority of the employees in the survey responded positively for the link between performance appraisal and growth strategies at Turkish NGOs.

5.2.5 Role of rewards and recognition for employee motivation

Rewards and recognition are essential for a motivated workforce. Appreciation is a basic human need. From time to time, everybody needs a pat on the back to keep going on. People respond positively when their work is appreciated through rewards. It makes them feel that their work is valued. They feel that they are recognized and accepted as the valued member of the group, and when employees feel this, they tend to be satisfied with their job and are motivated to maintain or even go beyond their good work. The rewards and recognition and employee motivation are found to be linked at the Turkish NGOs.

5.2.6 Link of reward and recognition with performance appraisal

If the reward system and compensation plans are devised on the basis of a performance appraisal system, it is important to make the system as much transparent as possible. The reason behind the emphasis on transparency is its implications for the motivation level of employees. If they perceive the system to be transparent, they can be sure that their salaries and benefits are not in the hands of some biased person; rather they will be elated and relived and definitely motivated to work harder for the organization because they know that their hard work will mean something for them in the end. As per the survey, the rewards and recognition and performance appraisal are found to be linked at the Turkish NGOs.

5.2.7 Performance appraisal and employee referrals

Motivated employees can form a positive work environment which is essential for free flow of creativity. They also create rapid channels of communication by facilitating the development of informal modes. This prosocial motivation helps in creating personal relations and then these relations start reflecting in workplace in form of better coordination among different level of authorities and departments as well as outside the organization. Employees often refer friends to the organization where they are satisfied with the performance appraisal process. The way an organization rewards it employees has implications for not only the motivation level of workforce but also the external recruitment. Referrals are a great source of talent for any organization, and they even

carry more weightage because they are being backed by an employee who has already worked in the organization. But employees are only going to refer their friends if they are themselves satisfied. If the appraisal system is ineffective, flawed and dubious, then they would be dissatisfied and most definitely avoid referring the organization to their friends. The survey employed responded positively for referring their friends to the NGO they work at, which indicates their satisfaction with the working conditions and performance appraisal strategies.

5.2.8 Performance appraisal and employee satisfaction

Employee motivation is one of the leading factors which impact job satisfaction. Part of motivating employees is about making their jobs free of unhealthy stress and unnecessary complexities. As per the literature review, organizations who emphasize on this dynamic of jobs have managed to motivate their employees and thereby achieve high level of job satisfaction. This connection between employee motivation and job satisfaction is strategically important for the success of any organization, irrespective of the industry and domain. As per the survey, Turkish NGOs have been able to develop employee satisfaction through their performance appraisals.

5.2.9 Performance appraisal and employee sense of achievement

Means of performance appraisal are also an important factor for the motivation of employees. If the means are offered to the employees, they tend to have a sense of belonging in the organization, provided that these means are effective. It instils a sense of achievement in the employees since they are empowered and given responsibility. They also perceive the system to be more transparent since they are involved themselves in the process now. This aspect was found to be satisfactory for employee motivation at Turkish NGOs.

5.3 Final Word

There are several performance appraisal strategies and each of them have a vital impact on the employee satisfaction, motivation and retention level. However, not every strategy is going to yield the same level. Strategy in essence should be well-structured

and promote fairness and transparency. Such a strategy is bound to work positively for the organization. Employees feel satisfied and contented when they know that the performance appraisal strategy in place is effective. They are motivated to work hard and improve productivity. Moreover, such employees are also less likely to leave the organization. Hence, the retention ratio remains low. In conclusion, performance appraisal strategies at Turkish NGOs have been found to be strongly linked with the employee motivation and retention. Most of the employees were found to be satisfied with the strategies of NGOs and were therefore, loyal to them.

5.4   Recommendations

Based on the findings of the literature review and survey, following recommendations have been suggested for Turkish NGOs.

1. NGOs should ensure conducting formal tests or assessments at the time of employee hiring as well as the promotions. In case the employees are not hired or promoted in this way, their motivation and loyalty with the organization might go down considering that there is bias in these processes. Even if the HR managers and department heads recognize the skillset of the interviewee, it is still recommended to conduct a formal test to illustrate a fair induction and promotion system to the existing employees.

2. The surveyed employees were not found to be satisfied with the frequency of performance related feedback they receive. This aspect could clearly degrade the work motivation of the employees. Hence, the team leaders as well as the departmental heads should be trained/instructed to offer the feedback to employees on the regular basis. In addition to the negative performance reviews, it is equally important for the leaders to provide the feedback for positive performance from the team members; for example, letter of appreciation could be issued or at least the employees should be recognized for their efforts during the meetings to boost up their motivation level.

3. When there would be an increase in employee empowerment and recognition, the motivation to work would also increase along with their organizational performance and accomplishments of NGOs.

5.5   Future Work

The present dissertation can be extended in several directions. For example, the research can be repeated for the government or private organizations at Turkey and the findings on employee perceptions can be compared among these organizations. Similarly, the study could also be conducted in other countries and the factors such as culture can be taken into account when comparing the employee perceptions about the performance appraisal strategies and their influence on the level of motivation.

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APPENDICES

APPENDIX A: Questionnaire

Scale: 5=Strongly Agree, 4=Agree, 3=Neither Agree nor Disagree, 2=Disagree, 1=Strongly Disagree

r. #	Questions					
	Applicants for the job at my organization take formal tests for selection and promotion					
	The company offers a chance to the employees to earn performance based bonuses					
	At least once a year, the employees receive feedback on their performance					
	Pay raises at our company are based on formal performance monitoring					
	There is no bias in the performance appraisal process at the organization					
	I am interested to work harder for the company					
	I am proud to work for this organization					
	I would refer a friend to come work at this organization					
	I feel a strong sense of belonging to this organization.					
0	Due to the efficiency of the performance appraisal strategies, I get sense of achievement					
1	I am satisfied with the growth opportunities offered by the company as they are directly linked with the performance appraisal					
2	The performance appraisal strategies are directly linked with the reward and recognition programs of the organization.					
3	I am motivated to work at the organization because of the rewards and recognitions offered					
4	I am motivated to work at the organization because of the compensation and benefits offered					
5	I am motivated to work harder for the company because the promotion opportunities are justifiably linked with the performance appraisal process					

78

6	Overall, I am satisfied working at this organization					
7	I do not intend to leave the organization for at least next 1 year					

Thank you so much for kind response!

RESUME

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