

Exploring the Impact of Performance Evaluation Systems on Work Motivation: A Case Study of Local Administrative Agencies in Taiwan

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Received Date: 16 January 2025

Revised Date: 27 January 2025

Accepted Date: 30 January 2025

Published Date: 06 February 2025

Abstract: *This study investigates the impact of the public department performance evaluation system on work motivation, focusing on local administrative bodies in Taiwan. As critical human resources in governmental institutions, civil servants are pivotal in implementing policies that shape public sector efficiency and image. However, the design of personnel management systems in the public sector often lacks private sector systems' core values and adaptability, emphasizing mechanical discipline over innovation and efficiency. The performance evaluation system, a cornerstone of personnel management, is crucial for determining promotions, transfers, and rewards. Its design and implementation have significant implications for employee motivation and organizational effectiveness.*

This research adopts a qualitative approach, employing semi-structured interviews with ten civil servants from various local administrative bodies. The findings reveal that key factors influencing work motivation include recognition and a sense of achievement, monetary rewards, and promotion and personal development opportunities. While performance evaluations are intended to recognize employee contributions and encourage high performance, systemic flaws such as rigid grading scales, limited supervisor objectivity, and the disproportionate influence of subjective factors undermine their efficacy. Additionally, restrictive policies, such as quotas for high-performance grades, exacerbate employee dissatisfaction and reduce motivation. The study highlights the dual effects of the current evaluation system. While positive recognition through high-performance grades can enhance motivation, perceived unfairness and a lack of alignment between effort and rewards detract from its effectiveness. Suggestions for reform include removing rigid grade quotas, integrating objective metrics into evaluations, and establishing mechanisms such as peer reviews and tailored evaluation criteria to reflect organizational goals and employee roles. This research contributes to understanding performance evaluation systems in the public sector and their critical role in shaping employee motivation. By addressing the identified limitations, policymakers can design more effective evaluation systems that enhance civil servants' motivation, productivity, and organizational performance.

Keywords: *Work Motivation; Public Department; Performance Evaluation System.*

I. INTRODUCTION

Civil servants are a critical human resource for government agencies, serving as the backbone behind policy implementation. Their performance directly influences the public perception of the government sector, making personnel management a crucial area for ensuring organizational effectiveness (Lin, 2003). While personnel management systems differ between public and private sectors, private organizations often emphasize efficiency and core values tailored to their industries, whereas public agencies operate within a more rigid framework that prioritizes discipline but lacks the agility and core values typical of private enterprises (Tang, Tseng, & Wang, 2007).

The performance appraisal system is one of the most recognized tools in public sector personnel management. It evaluates civil servants' performance and service quality over a specific period, forming the basis for promotions, transfers, and rewards. Although the system parallels the private sector's performance evaluations, the latter employs more diverse assessment methods, including self-assessments and 360-degree feedback systems. In contrast, public sector appraisals are primarily conducted by supervisors, granting them significant authority over evaluations. This centralized approach increases the risk of biases such as the halo effect or first impression errors, which can undermine the objectivity of appraisal outcomes.

Performance appraisals also directly impact work motivation, which is defined as the process that initiates, directs, and sustains behavior within an organization (Porter, Steers, Mowday, and Boulian, 1974). Work motivation answers the question, "Why do people strive to work hard?" (Liu, 1992). Factors such as promotions, bonuses, and recognition drive employees to invest greater effort, improve service quality, and enhance efficiency. According to research, 40% of an organization's goal attainment depends on employees' work motivation (Aguinis, 2015). A well-designed personnel management system that bolsters



motivation can elevate policy execution rates and organizational effectiveness. Conversely, a poorly implemented system may dampen motivation, negatively affecting overall performance.

Government agencies use performance appraisals to determine promotions, transfers, and rewards. However, the design of these systems and their ability to accurately reflect employees' abilities and performance play a pivotal role in shaping work motivation. According to data from the Ministry of Civil Service, there are three types of appraisals: year-end evaluations, special project appraisals, and interim evaluations. Among these, year-end evaluations are the most comprehensive, influencing bonuses and promotions. However, historical restrictions, such as limiting top-tier ratings (Grade A) to one-third employees, were revised in 1969. Despite later adjustments, the proportion of employees receiving top ratings continued to rise, making appraisals less effective as a motivational tool (Executive Yuan, 2009).

The current appraisal system, which limits Grade A ratings to 75% and Grade B ratings to 25%, presents additional challenges. When more than 75% of employees perform well, determining who receives a lower rating becomes problematic. If hardworking employees are unfairly rated, it could diminish their willingness to invest effort in the future. This highlights the need for a fair and effective system that genuinely reflects performance and motivates employees.

Work motivation drives employees' engagement, performance, and attitude. A lack of motivation can lead to burnout, emphasizing the importance of fostering a motivated workforce. Several motivational theories developed between the 1950s and 1980s, including Vroom's (1964) Expectancy Theory, remain influential. Vroom argued that motivation depends on the perceived relationships between effort, performance, and rewards. If employees believe their efforts will not lead to commensurate rewards, the system fails to motivate them. Ineffective performance management can erode work motivation, lower organizational efficiency, and compromise policy implementation. This study aims to examine the impact of performance appraisal systems on work motivation in the public sector and provide actionable recommendations for reform. The research addresses the following questions:

1. To what extent do bonuses, promotions, and recognition influence civil servants' work motivation?
2. What are the positive and negative impacts of the current appraisal system on work motivation?
3. How can the appraisal system be improved to enhance work motivation among civil servants?

Data were collected through a literature review and in-depth interviews. Purposive random sampling was employed to select participants who could provide comprehensive insights. Ten civil servants from various administrative agencies were interviewed, and their responses were meticulously analyzed to ensure reliability and validity.

By examining existing literature, analyzing the implementation of performance appraisal systems, and exploring their connection to work motivation, this study aims to propose practical reforms to maximize the system's benefits. Effective performance management can align civil servants' motivation with organizational goals, resolving longstanding concerns about public sector inefficiencies and enabling policies to be executed with greater effectiveness.

II. LITERATURE REVIEW

A) *Implementation Standards for Public Sector Performance Appraisal Systems*

a. **Functions of the Performance Appraisal System**

Article 2 of Taiwan's Civil Servant Performance Appraisal Act stipulates that performance appraisals for civil servants must follow the principle of fairness and accuracy, summarized as "comprehensive evaluation and equitable reward and punishment." This principle represents the core objective of the appraisal system, which encompasses several key functions. It serves an informational role by providing data for evaluation and reference, a managerial role by aligning with administrative measures to prevent misconduct and promote organizational benefits, and a feedback role by helping employees understand their work objectives, performance progress, and moral responsibilities. Moreover, the system has a motivational role, inspiring employees through mechanisms that reward excellence and eliminate inefficiency.

Chang (2011) emphasizes that an effective performance appraisal system strengthens the personnel framework by using appraisal results to reward high-performing employees and eliminate unsuitable ones. It enhances work efficiency by encouraging employees to improve their performance in pursuit of better evaluations and rewards. The system also enables supervisors to identify and utilize talent through a comprehensive understanding of their subordinates' abilities and character, providing a solid foundation for personnel decisions. Additionally, the appraisal system reinforces leadership by granting supervisors the authority to evaluate performance, thereby fostering trust and strengthening relationships within the organizational hierarchy.

In essence, a fair and reasonable performance appraisal system supports the principles of meritocracy, motivates employees, and optimizes talent management. Its implementation is integral to civil servants' performance and has a profound impact on the overall organizational efficiency of government agencies.

b. Types of Performance Appraisals

Performance appraisals are critical in Taiwan's public sector regarding reviewing the civil servants' performance and for effective human resource management. The system is divided into three types: Year-End Appraisal, Interim Appraisal, and Project-Based Appraisal, each with a specific purpose. Here is an in-depth description of the appraisal types, evaluation criteria, and respective rewards and penalties.

1. Year-End Appraisal

The Year-End Appraisal is an annual performance review of all civil servants, which assesses the work performance from January to December. Civil servants who were officially appointed to their positions during the period were automatically included. In the case of promotion to higher grades during the year, the service in lower grades is combined and credited to the year-end appraisal. Likewise, employees promoted or demoted within the same grade also include their previous service in the appraisal process to maintain fairness and equality.

The Year-End Appraisal is considered significant because it covers the whole period of appraisal. It becomes the basis for promotion, adjustment of salary, and award. It shows the government's dedication to fair and transparent appraisal systems for its personnel.

2. Interim Appraisal

The Interim Appraisal focuses on employees who have worked for at least six months but less than a year within the period of appraisal. In most cases, this appraisal is held together with the Year-End Appraisal so that the evaluation will cover those who have not served for an entire year. For instance, employees who resign, retire, are dismissed, or are otherwise unable to complete a full year of service are evaluated based on their actual tenure.

However, for an employee appointed within the same year who gains at least six months of service, the requirement for the second Interim Appraisal does not apply. The original employing agency is responsible for verifying and consolidating their service records, thus completing the Interim Appraisal at the year-end in the case of transferred employees working under other public institutions, educational organizations, or state-owned enterprises.

3. Project-Based Appraisal

The Project-Based Appraisal is an on-demand evaluation mechanism that is used to assess the performance of civil servants in specific tasks or exceptional circumstances. This kind of appraisal is designed to provide immediate feedback on significant accomplishments or misconduct, ensuring that performance management remains timely and effective. Outcomes of Project-Based Appraisals can directly impact decisions related to promotions, rewards, or disciplinary actions, highlighting their strategic importance in maintaining organizational accountability.

4. Appraisal Criteria

The evaluation of civil servants is based on four key dimensions: job performance, conduct, knowledge, and competency. Job performance carries the heaviest weight at 50%, followed by conduct at 20%, and both knowledge and competency at 15%. Agencies may deviate from these criteria and weightings as required by a specific job if the Ministry of Civil Service so allows.

5. Rating and Gap

Table 1. The performance appraisal system for civil servants is designed as follows: Table 1 presents a 100-point scale categorized into four ratings: First Class, Second Class, Third Class, and Fourth Class. Every rating has an achievement level, from outstanding performance, which is far beyond expectations, to unsatisfactory performance that would warrant dismissal. Rewards and penalties are systematically tied to these ratings, so excellence is rewarded through salary increments and bonuses, while underperformance is addressed through corrective measures. The system emphasizes fairness and aligns individual contributions with organizational goals, fostering accountability and enhancing overall government efficiency.

Table 1. Performance Appraisal Table

Rating	Score Range	Description	Year-End Rewards/Penalties	Interim Rewards/Penalties
First Class	80 and above	Outstanding performance	One-step salary increment and a bonus equivalent to one month's salary. At the highest salary step, a lump-sum bonus equivalent to two months' salary is awarded.	Bonus equivalent to one month's salary.

		exceeding expectations.		
Second Class	70 to 79	Good performance meeting expectations.	One-step salary increment and a bonus equivalent to half a month's salary. At the highest salary step, a one-time bonus equivalent to 1.5 months' salary is awarded.	Bonus equivalent to half a month's salary.
Third Class	60 to 69	Acceptable performance but requires improvement.	No salary increment or bonus; current pay remains unchanged.	No bonus is awarded.
Fourth Class	Below 60	Unsatisfactory performance; significant issues.	Results in dismissal.	Results in dismissal.

Source: Compiled by the authors

6. Project-Based Appraisal Rewards and Penalties:

a. Significant Merits:

Employees who achieve two major merits are awarded a one-step salary increment and a bonus equivalent to one month's salary. Those already at the highest salary receive a lump-sum bonus equivalent to two months' salary. No further salary increments are granted for additional significant merits within the same year, but a bonus equivalent to two months' salary is awarded.

b. Significant Misconduct: Employees who receive two major demerits are subject to dismissal. The performance appraisal system is a cornerstone of human resource management in Taiwan's public sector. Its structured evaluations, comprehensive criteria, and well-defined rewards and penalties ensure fairness and accountability while fostering motivation and performance among civil servants. However, the system requires continuous review to adapt to evolving organizational needs and to maximize its effectiveness in driving governmental efficiency and service quality.

B) Work Motivation and Expectancy Theory

Porter, Steers, Mowday, and Boulian (1974) identified three core functions of motivation: (1) generating the intrinsic force required to initiate a particular behavior, (2) guiding this force towards a specific direction, meaning individuals focus their effort on certain situations while disregarding others, and (3) sustaining persistence, which enables individuals to continuously engage in a task while exhibiting limited patience for alternative activities. When applied to the workplace, these principles form the foundation of work motivation. Lodahl and Kejner (1965) equated work motivation with job involvement, emphasizing its significance in driving individuals to fully commit to and consistently engage in their work. Work motivation, therefore, represents a psychological process that compels employees to invest effort in achieving organizational goals. The strength of this motivation profoundly influences their performance, attitudes, and productivity.

One prominent theory in the field of motivation is the Expectancy Theory, proposed by Vroom (1964). This theory posits that the strength of an individual's inclination to act is determined by the anticipated outcomes of their actions and the attractiveness of those outcomes. Expectancy Theory highlights three critical relationships: (1) Effort—Performance Expectancy, referring to the perceived probability that an individual's effort will lead to desired performance levels, (2) Performance—Reward Expectancy, referring to the belief that achieving specific performance standards will result in anticipated rewards, and (3) Reward—Personal Goal Alignment, referring to the extent to which organizational rewards fulfill individual goals and needs, and the attractiveness of these rewards. For example, employees would be motivated to work harder because they believe that their hard work would result in positive performance appraisal. Moreover, when high performance translates into material rewards such as promotions or bonuses, and these rewards cohere with what employees want from life, they are motivated all the more.

C) Research on the Relationship Between Performance Management and Work Motivation

Peng (2011) discovered that intrinsic motivation has a greater impact on both task performance and overall job performance compared to extrinsic motivation. Dysvik and Kuvaas (2008) similarly found that individuals with high intrinsic motivation demonstrate stronger self-drive, self-management, and self-efficacy, which positively influence task performance and organizational citizenship behaviors.

Chen (2012), in her study of professionals in the human resources field in Taiwan, revealed that both intrinsic and extrinsic motivations positively affect employees' overall job performance. Intrinsic motivation is often sparked by challenges or a sense of achievement in the work itself, whereas extrinsic motivation can be stimulated through structured systems such as salary packages and career development opportunities.

Aguinis (2015) argued that poorly implemented performance management systems could diminish employees' work motivation. For instance, if employees perceive that excellent performance does not translate into meaningful tangible or intangible rewards, their motivation is likely to be undermined.

In summary, the strength of work motivation significantly influences employee performance. Motivation can be amplified through well-designed performance management systems, whereas deficiencies in these systems can lead to diminished motivation. Therefore, the relationship between performance management and work motivation is deeply interdependent, underscoring the importance of aligning system design with motivational principles to enhance employee engagement and organizational performance.

III. RESEARCH ANALYSIS

A) Research Design and Participant Profile

This study employs qualitative research to explore the impact of performance appraisal systems on the work motivation of civil servants, focusing on whether the existing appraisal mechanisms in the public sector are sufficiently effective. A qualitative interview approach was adopted to investigate the causal relationships and influence between appraisal systems and work motivation. Semi-structured interviews were conducted to capture the authentic perspectives of participants. Qualitative research emphasizes the dynamic relationship and understanding between the researcher and participants, offering flexibility and depth. Maxwell (2001) posits that qualitative research is particularly suitable for five objectives: (1) understanding meaning, (2) comprehending specific contexts, (3) identifying unanticipated phenomena and impacts, (4) exploring processes, and (5) developing causal explanations. Compared to quantitative methods, qualitative research provides a richer understanding of the meanings, processes, and phenomena associated with specific individuals or situations.

The sampling strategy for this study adheres to the principles outlined by Hu (1996), which emphasize obtaining data that captures both the depth and diversity of social realities. Qualitative research prioritizes samples with rich informational content and often begins with theoretical understanding as the first step in sample selection. Given the study's focus on the performance appraisal systems of government agencies, the scope was narrowed to Taiwan's local administrative agencies, including municipalities, county (city) governments, and township (town, city) offices. The study exclusively targeted employees serving in these local administrative agencies to ensure the research findings were directly relevant to the study's objectives.

The research methodology relied on the interview survey technique as the primary tool. This method involves face-to-face interactions between the researcher and participants to gain a deeper understanding of their motivations, beliefs, and perspectives. While the interview survey method is flexible, accurate, and in-depth, it also presents challenges such as higher costs, limited privacy, and the potential influence of the interviewer's attitude and skills on the results. For this study, semi-structured interviews were chosen to provide participants with the flexibility to express their thoughts and viewpoints. Individual interviews were conducted to protect participants' privacy.

Data collection for the study was conducted through a combination of literature review and in-depth interviews. Participants were contacted in advance to confirm their willingness to participate. An interview guide was shared with participants before the interviews to ensure they understood the purpose and scope of the study. However, the guide served only as a reference; participants were encouraged to share their thoughts and insights, and the researcher adjusted the interview flow flexibly based on real-time interactions. Before each interview, the researcher sought consent from participants to record the sessions and assured them that the recordings would be used solely for academic purposes. Given the in-depth nature of the interviews, the researcher prioritized the willingness of participants to ensure the collection of comprehensive and accurate data.

To achieve a robust and representative sample, purposive random sampling was employed, targeting individuals capable of providing the most extensive and detailed information. A total of ten participants were interviewed, representing a diverse range of positions, experiences, and educational backgrounds within local administrative agencies. The participants' demographic information is summarized in Table 2 below.

Table 2. Demographic Information of Participants

Interview ID	Gender	Age	Years of Service	Education Level	Job Title
B1	Female	52	28	Bachelor's	Section Chief
A1	Female	35-40	10	Master's	Staff Member
A2	Female	37	12	Bachelor's	Staff Member
A3	Female	35	10	Bachelor's	Staff Member
A4	Female	36	14	Bachelor's	Assistant Officer
A5	Male	27	3	Bachelor's	Technician
B2	Male	41	14	Master's	Section Chief

B3	Female	49	25	Associate Degree	Director
B4	Male	38	14	Master's	Chief Secretary
A6	Male	41	8	Bachelor's	Technician

Source: Compiled by the researcher.

Semi-structured interviews, coupled with purposive sampling, ensured that such a study would capture the diverse and nuanced perspectives. A flexible interview design allows adjustments in light of a fluid conversation so that rich and relevant information can be gathered from those being interviewed. In this manner, the study provides an in-depth look at the connection between performance appraisal systems and work motivation in local administrative agencies of Taiwan.

B) Factors Influencing Civil Servants' Work Motivation

Using interview results, domains of influence for the motivation to work on civil servants work included recognition and a sense of accomplishment, bonuses monetarily, and promotion and development opportunities. These domains have the following level of influence; in order: recognition and sense of accomplishment > monetary bonuses, then promotion opportunities with personal development.

Recognition and a feeling of accomplishment do play a part in motivating civil servants. They feel encouraged if they receive positive acknowledgement and support from the public, supervisors, and colleagues while doing their jobs. Monetary incentives also have significant effects on motivating civil servants who have less than ten years of experience. These individuals tend to view bonuses as the primary factor driving their work motivation. Promotion opportunities and personal development were noted as key motivators, particularly for younger employees or those in lower ranks. These individuals see promotions as a critical component of career progression. Conversely, those less concerned about promotion were identified as falling into two groups: those who are unwilling to take on supervisory roles and those already in supervisory positions with limited desire for further advancement.

C) The Positive and Negative Impacts of Performance Appraisal Systems on Work Motivation

Among the ten participants, four acknowledged both positive and negative impacts of the performance appraisal system on their motivation, while three stated that the system primarily affected their mood without influencing their motivation. The remaining three claimed that the performance appraisal system had no impact on their work motivation. Below is an analysis of the extent to which performance appraisal systems influence work motivation.

For those reporting both positive and negative impacts, recognition through a First-Class appraisal served as validation of their performance and enhanced their motivation. Receiving a Second-Class appraisal encouraged them to reflect on their shortcomings, while performance-related bonuses acted as an additional incentive. On the negative side, the limitations on First-Class appraisals and concerns over disciplinary actions discouraged some employees, as they felt their efforts were not proportionally rewarded, thereby reducing their motivation. For those indicating only mood-related impacts, the anticipation of receiving a First-Class appraisal created expectations, and failing to achieve it led to feelings of imbalance and disappointment. However, these effects were temporary and did not significantly influence their work motivation. Participants in this category viewed appraisal outcomes as supplementary to their core work performance. Finally, those who believed the appraisal system had no impact on their motivation argued that the system often failed to reflect actual performance accurately. They attributed this to subjective evaluations influenced by a supervisor's biases, such as impression scoring and the restrictive quota on First-Class appraisals, which often led to rotational Second-Class ratings even when all subordinates performed well. Additionally, participants who were less motivated by bonuses or promotions reported that the appraisal system did not affect their motivation.

D) Perspectives on Modifications to the Performance Appraisal System

Participants pointed to first-class quota restraint as an area of big deal, which was described as unfair and demotivational. Often, rotational second-class ratings would result in employees being given appraisals on the strength of all employees' good performance ratings. Employees, where they found a disparity between what was put forth in terms of efforts and appraised outcomes, were not motivated much. Some recommended more performance-based bonuses to address imbalances with those in private industry. They also suggested that other bonuses or professional allowances should be introduced within the framework of appraisals. On promoting people, they said that promotion eligibility was decoupled from the results of the appraisal, and other factors included were educational background, years of service, and achievements to make the promotion system more flexible.

Scoring criteria should include more objective factors and fewer subjective ones, according to participants. Some even suggested that concrete evaluation standards be developed and tied to organizational goals so that employees will know exactly what their supervisors expect from them. Another participant suggested that the evaluation forms be customized according to the organizational objectives and key responsibilities of each agency so that individual performance can be more accurately assessed. A third suggestion was to split the present ratings of appraisals into five classes. This would provide more accurate and detailed performance and appraisal scores. A third participant suggested an "Excellent" rating within the top 10% of the First-Class rating.

The bonuses for this rating would be similar to those received for the First Class, but the additional benefits would include promotion credits. This would motivate those employees who place great honor on having a good career.

Opinions towards peer evaluations are divided. Some stated that peer reviews could be references for supervisors, given the fact that colleagues often engage in collaborative work and observe others' attitudes toward work. Still, others say that peer review is limited. This is mainly because colleagues have no full details of each other's jobs, so the latter would not be objective in performing the evaluation process.

This analysis shows that civil servants hold various views about performance appraisal systems. It, therefore, emphasizes the need to fine-tune the system so that it truly reflects the performance, effort, and individual and organizational goals.

IV. RESEARCH CONCLUSIONS AND RECOMMENDATIONS

A) Research Conclusions

This chapter integrates the findings of the study into research conclusions and recommendations for the performance appraisal system to be refined for civil servants. The conclusions are based on interviews and literature reviews that respond to the research objectives and form the basis for the proposed recommendations.

a. Primary Work Motivation for Civil Servants

The findings indicate that recognition and a sense of achievement are the primary drivers of work motivation among civil servants, followed by monetary bonuses. Respondents emphasized that acknowledgement and support from supervisors and colleagues play a pivotal role in fostering motivation. Such recognition not only validates their contributions but also enhances their sense of purpose and engagement, encouraging a deeper commitment to their professional responsibilities.

b. Impact on work motivation from the performance appraisal system

Most of the respondents expect a First-Class rating to be an appreciation of their one year of efforts. Having received a First-Class rating motivates their work because it justifies how well they performed in their efforts, and a Second-Class rating disappoints them due to their sense of relative injustice or the perception that their efforts were insufficiently rewarded.

Secondly, a number of respondents perceived that appraisal outcomes in their department had an effect on their mood but not exactly on their motivation towards work. Other factors include the fixed quota for First-Class ratings, the rotational assignments at Second-Class grades, and the subjectivity of supervisor assessments, which make people skeptical about the whole system. These people do not seem to believe in the "effort-performance" linkage described by expectancy theory. When employees know that effort will not lead to higher performance ratings and rewards, their motivation drops.

In conclusion, when supervisors do not evaluate employees based on actual performance and outcomes, the performance appraisal system cannot effectively incentivize employees. It then becomes a formal exercise divorced from its purpose, undermining its ability to motivate and engage civil servants.

B) Research Recommendations

Based on the feedback gathered in the interviews, this section proposes specific recommendations for improving the performance appraisal system of civil servants. These suggestions will address the weaknesses identified and help the system become more effective in motivating employees.

a. Revising the Proportional Quota for Appraisal Ratings

1. Eliminate the Proportional Quota for First-Class and Second-Class Ratings

The present quota for rating appraisal has led to the concept of rotational Second-Class assignments that do not fairly represent the actual performance of individuals. Removing the quota would free supervisors to judge employees based on their actual contribution and give the right ratings, free from being bound by set proportions. The change would guarantee fairness and merit-based excellence with trust in the appraisal process.

2. Create an "Excellent" Rating Category

The recognition system should be enhanced by the introduction of an additional "Excellent" category under the First-Class rating, which would include the top 10% of employees. The bonus for this rating would remain the same as that for the First Class, but additional promotion credits could be given. Since recognition and validation are the most significant motivators for civil servants, this measure would meet the expectations of employees regarding acknowledgement and provide an additional incentive for exceptional performance.

b. Improvement of the Scoring Criteria

1. Introducing New Metrics for Appraisal

Apart from the already used criteria for appraisal, the “Exceptional Work Achievements” and “Business Evaluation Results” should be added to ensure a diverse, comprehensive, and objective evaluation system. This will offer a supervisor important references in the general process of assessing an employee’s work.

2. Streamlining the Appraisal Framework

At present, government agencies use a standard performance appraisal form for all departments. Customization of the evaluation framework to fit the specific objectives and responsibilities of each agency would make it much more relevant and effective. Organizational goals would be well connected with personal performance metrics and evaluation standards well defined, allowing supervisors to do objective assessments. Such optimization would also allow employees to align personal goals with organizational objectives, leading to a common sense of purpose and better performance.

These recommendations would look at correcting the performance appraisal system, thereby ensuring it closely resembles the purposes of motivating and recognizing the employee. Implementing these changes can allow the government to develop an appraisal framework that is fair, transparent, and effective and thereby contribute positively to the development of individual and organizational performance.

This chapter synthesizes the research findings, presents conclusions and proposes recommendations for revising the performance appraisal system. The conclusions, derived from interview analyses and literature reviews, aim to address the research objectives comprehensively. Finally, recommendations for reforming the appraisal system are provided based on the insights obtained from the interviews.

The conclusions of the study emphasize the core findings about the relationship between performance appraisal systems and employee motivation. From the perspectives of public servants, it is clear that recognition and a sense of achievement in their work are the primary drivers of motivation, followed by monetary incentives. Interviewees emphasized the importance of support and affirmation from supervisors and colleagues, which act as powerful motivators for increasing their engagement and productivity. These findings highlight that workplace culture and interpersonal relationships are critical in influencing job satisfaction and motivation.

There were mixed findings regarding the impact of the performance appraisal system on motivating employees. Many of the respondents were of the view that a First Class rating simply reinforced their efforts and validated their annual performance, and therefore, enhanced motivation. On the other hand, a Second Class rating meant disappointment and that their efforts were not being properly rewarded. In some cases, the quota for First Class ratings was so small that there became a practice of rotational Second Class ratings, which further eroded their confidence in the fairness of the system. Others said that subjective factors such as a supervisor’s impression were what often decided appraisal outcomes, thereby weakening the relationship between effort and performance. According to expectancy theory, this disconnect—where employees perceive that effort does not translate into performance recognition—renders the appraisal system ineffective as a motivational tool. When appraisal scores do not reflect actual performance, the system loses its intended function of incentivizing employees and risks becoming a mere formality.

Based on these findings, several recommendations for improving the appraisal system are proposed. These recommendations address systemic issues identified through the interviews and offer actionable reforms.

First, regarding the quota restrictions for appraisal ratings, it is recommended that the proportional limitations for First Class and Second Class ratings be abolished. The existing quota constraints often lead to practices such as rotational ratings, which do not reflect employees’ actual performance. Removing these restrictions would enable supervisors to assign ratings based on genuine performance, ensuring fairness and rewarding excellence without arbitrary limits. Furthermore, introducing an additional “Excellent” rating category, constituting the top 10% of performers, could address the need for greater differentiation among high performers. First, extra rewards like precedence in promotion would be awarded for “Excellent.” These would motivate employees who are interested in career development and professional recognition to work with more benefits at their end.

The criteria to be used for evaluation and the methods to be used for scoring must be refined to ensure a better level of objectivity and alignment with organizational goals. The incorporation of new components in the evaluation, including “exceptional work achievements” and “business performance evaluations,” in the appraisal framework is suggested. This would result in a comprehensive and diversified employee contribution assessment. The current templates for appraisal must also be fine-tuned according to the different operational priorities that each governmental agency has. By making explicit the organizational objectives, aligning them with performance metrics and providing clear evaluation standards, it would make more objective and goal-oriented appraisals. Moreover, employees will have greater transparency since they understand what criteria they are being assessed upon.

These recommendations are aimed at overcoming the shortcomings of the current performance appraisal system and transforming it into an instrument for motivation and better performance of employees. It would ensure fairness in diverse evaluation criteria and align appraisals with organizational goals, which would make the system more relevant to its goal of recognizing and rewarding excellence for the efficiency and effectiveness of public sector operations.

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