

## Fairness, transparency, and motivational deficits in public utility performance appraisal: Evidence from Zambia

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<https://doi.org/10.51867/ajernet.7.2.24>

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### ABSTRACT

This research examines how management-level staff at a state-owned public utility view the fairness, transparency, and effectiveness of their performance evaluation system, and how these views affect their motivation, engagement, and job performance. Utilizing a comprehensive theoretical framework that incorporates Equity Theory and Goal-Setting Theory, this study adopted a convergent parallel mixed-methods approach. Data collection involved a structured questionnaire distributed to 176 management-level employees chosen through stratified random sampling from five divisions of Zambia Electricity Supply Corporation Limited, [ZESCO] Limited, Zambia's state-owned electricity provider, along with semi-structured interviews conducted with 15 purposely selected key informants. Quantitative data were examined using descriptive statistics, Pearson correlation, multiple regression analyses, and structural equation modeling (SEM), while qualitative data were analyzed through reflexive thematic analysis. The results indicate that employees view the appraisal system as considerably below a neutral benchmark in terms of fairness ( $M = 2.68$ ,  $SD = 0.96$ ,  $p < .001$ ), transparency ( $M = 2.70$ ,  $SD = 0.98$ ,  $p < .001$ ), and effectiveness ( $M = 2.81$ ,  $SD = 0.94$ ,  $p = .008$ ). Effectiveness of the system emerged as the most influential factor in predicting motivation ( $\beta = 0.376$ ,  $p < .001$ ) and engagement ( $\beta = 0.324$ ,  $p < .001$ ), while fairness also significantly predicted motivation ( $\beta = 0.224$ ,  $p = .007$ ) and engagement ( $\beta = 0.182$ ,  $p = .047$ ). Employee engagement was found to partially mediate the relationship between effectiveness and performance (Sobel  $z = 6.13$ ,  $p < .001$ ), representing 57.4% of the total indirect effect. Notable variations were seen across departments and tenure, with those in technical departments and employees with longer tenures reporting significantly lower perceptions. These findings provide actionable insights for improving performance management in public utilities across Sub-Saharan Africa and enhance the theoretical understanding of the dynamics between justice and motivation in bureaucratic organizational settings.

**Keywords:** Employee Engagement, Employee Motivation, Fairness Perceptions, Performance Appraisal, Public Utilities, Structural Equation Modeling, Sub-Saharan Africa, Zambia

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### I. INTRODUCTION

Performance appraisal occupies a paradoxical position in the theory and practice of human resource management (HRM). When designed and implemented effectively, appraisal systems enable organizations to assess individual contributions, communicate performance expectations, foster professional development, and align employee behavior with strategic organizational objectives (Armstrong & Taylor, 2020; Aguinis et al., 2013). Yet the accumulated body of evidence suggests that these aspirations are routinely unrealized particularly in the public sector, where structural rigidities, limited performance-contingent rewards, and bureaucratic inertia frequently render appraisal processes symbolic rather than substantive (DeNisi & Murphy, 2017; Fletcher & Perry, 2001). Critics note that conventional appraisal approaches generate widespread perceptions of bias and inconsistency, impose significant administrative burdens, and produce negligible developmental benefits, prompting scholars to question whether formal appraisal systems do more harm than good (DeNisi & Murphy, 2017).

These tensions are especially pronounced in public utilities operating in developing economies, where organizations such as national electricity providers must simultaneously satisfy commercial imperatives and social service mandates while managing large, structurally heterogeneous workforces under severe institutional resource constraints (World Bank, 2022; Organisation for Economic Co-operation and Development [OECD], 2021). The management of human performance in such organizations demands appraisal systems that are not only technically rigorous but also perceived as fair, transparent, and genuinely useful by the employees they evaluate conditions that are difficult to achieve in highly bureaucratized environments characterized by compressed pay structures, civil-service tenure protections, and limited managerial discretion in reward allocation.

ZESCO Limited, Zambia's sole government-owned electricity provider, responsible for the generation, transmission, and distribution of electricity across the country, exemplifies these challenges in an emblematic Sub-Saharan African context. Despite maintaining a formal appraisal infrastructure, ZESCO has grappled with persistent

and well-documented difficulties: evaluations are widely perceived as subjective and inconsistently administered, the connection between appraisal outcomes and compensation decisions is weak and opaque, and feedback processes provide employees with limited actionable guidance for performance improvement. These conditions constitute the organizational context within which the current research is situated.

Notwithstanding the extensive international literature on performance appraisal, significant lacunae remain in our theoretical and empirical understanding of the precise mechanisms through which appraisal system quality—operationalized as perceived fairness, transparency, and effectiveness—influences employee motivation and engagement in public utility organizations. Extant studies have documented broad associations between appraisal quality and various employee outcomes, but evidence derived specifically from public utilities in Sub-Saharan Africa remains sparse. Research focused on Zambia specifically tends to be largely descriptive and atheoretical, limiting its generalizability and its capacity to generate policy-relevant insights (OECD, 2021; World Bank, 2022). Furthermore, the mediation pathways through which appraisal quality shapes performance outcomes—whether through motivational or engagement mechanisms have received inadequate empirical attention in this regional and sectoral context.

This study addresses these gaps by pursuing three interrelated objectives: (1) measuring the magnitude of deficiencies in fairness, transparency, and effectiveness in ZESCO's performance appraisal system; (2) examining the predictive relationships between appraisal quality perceptions and employee motivation, engagement, and performance; and (3) mapping the mediation pathways through which appraisal quality influences performance outcomes, with particular attention to the comparative mediating roles of motivation versus engagement.

The study makes three interconnected contributions to the literature. Theoretically, it integrates Equity Theory (Adams, 1965) and Goal-Setting Theory (Locke & Latham, 2020) to construct a dual-mechanism explanatory model of how justice perceptions and goal-setting processes jointly shape employee attitudes and behaviors in public utility settings. Empirically, it provides robust quantitative evidence including structural equation modeling with verified fit indices—drawn from a major African public utility, supplemented by rich qualitative data that illuminate the lived experiences of employees navigating a deficient appraisal system. Practically, it generates theoretically grounded, context-sensitive recommendations for reforming performance management in public utilities operating under the institutional and resource conditions characteristic of Sub-Saharan Africa.

## 1.1 Research Objective

The study is guided by the following specific research objectives:

- i. To assess the extent to which management-level employees at ZESCO Limited perceive the organization's performance appraisal system as fair, transparent, and effective.
- ii. To examine the predictive relationships between appraisal quality perceptions (fairness, transparency, and effectiveness) and employee motivation, engagement, and job performance.
- iii. To determine whether and to what degree employee motivation and engagement mediate the relationship between appraisal system effectiveness and employee performance.
- iv. To investigate whether perceptions of appraisal quality vary significantly across organizational departments and employee tenure cohorts.

## II. LITERATURE REVIEW

### 2.1 Theoretical Review

#### 2.1.1 Performance Appraisal Quality: Fairness, Transparency, and Effectiveness

The quality of performance appraisal is a complex concept that includes several interconnected elements. Fairness involves how employees view the evaluation methods and results as fair, unbiased, and consistent (Cropanzano & Greenberg, 1997). Based on organizational justice theory, appraisal fairness includes distributive justice (the fair distribution of rewards associated with appraisals), procedural justice (fairness and consistency in the evaluation processes), and interactional justice (respectful and informative communication regarding appraisal results). Each of these dimensions' influences employee trust, attitudes, and behavior at work both individually and together (Fletcher & Williams, 1996).

Transparency refers to how clear the criteria for appraisal, the methods of evaluation, and the decisions regarding outcomes are, allowing employees to understand the basis for performance evaluations and how these results impact their career advancement (OECD, 2021). Studies consistently indicate that transparent appraisal practices are linked to increased employee trust, a more open attitude toward feedback, and a higher level of engagement in activities aimed at personal development (Aguinis et al., 2013). In the public sector, transparency is particularly crucial because employees often do not have access to objective financial performance information; therefore, fair and visible processes become vital indicators of the organization's reliability and integrity.

Effectiveness refers to how well appraisal systems serve practical purposes, such as enhancing performance, recognizing developmental needs, guiding career choices, and encouraging behavioral modifications (DeNisi &

Murphy, 2017). Systems that are regarded as effective often lead to increased motivation and engagement, while those viewed as ineffective can result in frustration, skepticism, and mere routine adherence. Generally, perceptions of effectiveness are at their peak when evaluations are precise, feedback is prompt and helpful, and the results are significantly linked to recognition and opportunities for development (Fletcher & Williams, 1996)

This research is based on the combined use of Equity Theory (Adams, 1965) and Goal-Setting Theory (Locke & Latham, 2020). Equity Theory suggests that employees continually evaluate their own input–outcome ratios, such as effort, skills, and experience, in relation to the recognition, rewards, and promotions they receive compared to similar others. When they sense a discrepancy, employees often seek to restore balance through behavioral or cognitive changes, which may include decreasing their effort, withdrawing psychologically, or showing less commitment to the organization. In appraisal settings, the theory indicates that perceived unfairness in evaluation methods or outcome distribution can significantly and negatively impact motivation and engagement.

Goal-Setting Theory (GST) asserts that establishing specific and challenging goals along with sufficient feedback greatly enhances performance by focusing attention, maintaining effort, fostering persistence, and encouraging the development of strategies (Locke & Latham, 2020). In the context of appraisals, GST emphasizes the necessity of having clearly defined performance targets, regular feedback systems, and meaningful connections between achieving goals and receiving valued outcomes. When appraisal processes effectively clarify objectives and deliver substantial performance feedback, they trigger the motivational processes that GST identifies as essential for enhancing performance.

The combination of these two frameworks illustrates a dual requirement for successful performance management: employees need both well-defined goal-setting procedures (highlighted by Goal Setting Theory) and the belief that these procedures are just and unbiased (highlighted by Equity Theory). Having clear objectives without a sense of fairness leads to focused efforts that lack ongoing commitment, while perceived fairness without defined goals fosters goodwill but lacks productive guidance. When these two elements are fulfilled, appraisal systems can support not only immediate task performance but also long-lasting psychological involvement with the organization. This comprehensive framework positions employee motivation and engagement as crucial psychological states that connect the quality of appraisal systems to performance results, which is the main hypothesis explored in this research.

### 2.1.2 Motivational Deficits in Public Sector Appraisal Systems

The literature on public administration highlights various ways in which appraisal systems create motivational shortcomings. Firstly, the lack of strong connections between performance and rewards weakens instrumentality, a fundamental aspect of Expectancy Theory (Vroom, 1964). When employees struggle to see a dependable link between their performance evaluations and desirable outcomes, their motivation to exert effort diminishes, irrespective of the established appraisal standards (Pinder, 2008). This failure of instrumentality is often seen in public utilities, where inflexible salary structures and constrained budgets limit the ability to vary rewards according to performance (OECD, 2021).

Secondly, bias and subjectivity from appraisers violate procedural fairness standards, leading to equity-restoration actions, such as decreased effort and withdrawal (Cropanzano & Greenberg, 1997). Thirdly, insufficient feedback quality hinders employees from grasping how to enhance their performance, thus obstructing the goal-refinement processes that appraisals are theoretically meant to facilitate (Fletcher & Perry, 2001). These issues are generally most evident in technical departments, where measuring performance is inherently more challenging, allowing for greater appraiser discretion, and the disparity between official appraisal criteria and employees' actual work experiences tends to be most significant (Aguinis et al., 2013).

## 2.2 Empirical Review

A growing collection of empirical studies has explored the connections between the quality of performance appraisals, employee motivation, engagement levels, and the overall performance of organizations, yet notable gaps in context remain. In their comprehensive review of performance appraisal literature spanning thirty years, DeNisi and Murphy (2017) determined that evidence supporting the effectiveness of formal appraisal systems in the public sector is weak, marked by inconsistent results and a lack of focus on contextual moderating factors. Further meta-analytical research has corroborated this conclusion, revealing both moderate and significantly varied effect sizes concerning the relationship between appraisal quality and motivation ( $\rho = .28-.41$ ), with considerable differences attributed to contextual influences such as the type of sector, organizational culture, and the national institutional environment.

Research focusing specifically on public utilities in developing nations emphasizes further complexities brought about by dual commercial and social responsibilities and resource constraints. A multi-country examination of African electricity utilities conducted by the World Bank (2022) revealed that practices related to human resource management, such as performance appraisal, ranked among the top three organizational obstacles affecting workforce productivity, with fewer than 35% of surveyed utility employees declaring their appraisal systems as fair or effective. Notably, this

investigation highlighted the lack of substantial performance-reward connections as the most commonly cited appraisal shortcoming across all contexts an observation that aligns with the empirical findings of the present study.

The existing literature on employee engagement within public sector organizations provides further contextual insight. Saks and Gruman (2021) differentiate between job engagement, which refers to the psychological commitment of cognitive and emotional resources to work tasks, and organizational engagement, which reflects the psychological commitment to the employing organization itself. Their empirical research indicates that perceptions of organizational fairness and the quality of performance feedback are some of the most significant precursors to both types of engagement, especially in settings where extrinsic rewards are limited. This has direct relevance for the current investigation: in the public utility sector, where salary variations based on performance are restricted, psychological factors such as fairness, transparency, and perceived effectiveness may serve as the primary tools available to management for maintaining employee engagement and, by extension, enhancing performance.

Despite these advancements, several empirical gaps inspire the present investigation. Firstly, there is no available research that has explored the simultaneous predictive influences of fairness, transparency, and effectiveness on motivation, engagement, and performance within a Sub-Saharan African public utility through a theoretically integrated framework and a robust mixed-methods approach. Secondly, the comparative mediating functions of motivation in relation to engagement within the appraisal quality performance relationship have yet to be empirically confirmed in this specific context. Thirdly, although the moderating effects of tenure and departmental function on perceptions of appraisal quality are theoretically expected, they remain unquantified in Zambian public sector studies. This research aims to fill each of these identified gaps.

### III. METHODOLOGY

#### 3.1 Research Design

This research utilized a convergent parallel mixed-methods approach (Creswell & Plano Clark, 2018), blending quantitative survey information with qualitative interview data to create a thorough insight into employee views regarding the appraisal system and its organizational effects. The quantitative and qualitative elements were carried out simultaneously and combined during the interpretation phase, with results from each element employed to validate and contextualize the findings of the other.

#### 3.2 Study Area

The research took place at ZESCO Limited, the only government-owned electricity provider in Zambia. ZESCO handles the production, transmission, and delivery of electricity across the nation, with roughly 2,500 workers in operational roles and a management team consisting of about 500 individuals. Founded under state control and functioning with both commercial and public service goals, ZESCO is a typical example of a large public utility in Sub-Saharan Africa. Its intricate departmental organization, varied workforce, and clearly noted difficulties in performance management render it an especially suitable and enlightening location for this research.

#### 3.3 Target Population

The intended sample included all managerial employees at ZESCO Limited from five different departments: Generation, Transmission, Distribution, Finance & Administration, and Human Resources. Management personnel were chosen as the focus of the research because they are the key individuals involved in ZESCO's formal evaluation processes and are capable of sharing detailed insights regarding their evaluation experiences. According to ZESCO's internal organizational documentation, the estimated number of available management employees was around 500.

#### 3.4 Sampling Methods and Sample Size

Stratified random sampling was implemented to guarantee proportional representation among all five operational and functional divisions. A total of 222 questionnaires were distributed to employees at the management level, resulting in 176 usable responses, which reflects a response rate of 79.3%. The resulting sample consisted of 64.2% male respondents; 44.3% were in the 35–44 age range; 55.7% possessed Bachelor's degrees as their highest level of education; and 30.7% had between 6 and 10 years of experience with ZESCO. In the qualitative aspect, 15 key informants were chosen using purposive sampling to ensure coverage across various organizational levels and functional areas. The participants included three HR practitioners, ten departmental managers, and two senior executives, all of whom actively engaged in the process.

#### 3.5 Measures

The organized questionnaire evaluated eight constructs by employing validated Likert-scale items (1 = Strongly Disagree to 5 = Strongly Agree): Fairness Perception (8 items;  $\alpha = .876$ ), Transparency Perception (7 items;  $\alpha = .842$ ), Effectiveness Perception (9 items;  $\alpha = .891$ ), Strategic Alignment (6 items;  $\alpha = .823$ ), Employee Motivation (10 items;

$\alpha = .908$ ), Employee Engagement (8 items;  $\alpha = .867$ ), Employee Performance (7 items;  $\alpha = .854$ ), and Organizational Performance (9 items;  $\alpha = .896$ ). All Cronbach's alpha coefficients were above .80, reflecting good to excellent internal consistency. Content validity was demonstrated via consultations with three HR professionals and two academic researchers who specialize in performance management. Construct validity was confirmed through principal component analysis (KMO = .897; Bartlett's Test  $\chi^2 = 3,847.56$ ,  $df = 861$ ,  $p < .001$ ), revealing eight factors that accounted for 73.4% of the total variance, with all factor loadings being  $\geq .58$ .

### 3.6 Analytical Strategy

Quantitative information was examined with the help of SPSS version 26 and AMOS version 26. The analysis started with descriptive statistics and tests for normality, advancing to bivariate correlations, multiple regression, path analysis as outlined by Baron and Kenny in 1986, and structural equation modeling (SEM). The SEM approach allowed for the simultaneous evaluation of several proposed relationships while considering measurement inaccuracies. Qualitative data were analyzed using reflexive thematic analysis in NVivo version 12, following Braun and Clarke's guidelines from 2019. Themes were created through a process of iterative coding and member-checking to maintain reliability.

## IV. FINDINGS & DISCUSSION

### 4.1 Perceptions of Fairness, Transparency, and Effectiveness

One-sample t-tests indicated that all three dimensions of appraisal quality were rated significantly lower than the neutral midpoint of 3.0 (see Table 2). The perception of fairness was notably the lowest ( $M = 2.68$ ,  $SD = 0.96$ ;  $t(175) = -4.42$ ,  $p < .001$ ,  $d = -0.33$ ), followed by transparency ( $M = 2.70$ ,  $SD = 0.98$ ;  $t(175) = -4.06$ ,  $p < .001$ ,  $d = -0.31$ ) and effectiveness ( $M = 2.81$ ,  $SD = 0.94$ ;  $t(175) = -2.68$ ,  $p = .008$ ,  $d = -0.20$ ). Table 1 displays the descriptive statistics for each item, while Table 2 summarizes the inferential statistics derived from the one-sample t-tests.

**Table 1**

*Item-Level Descriptive Statistics for Appraisal Quality Dimensions (N = 176)*

Item (Lowest and Highest per Dimension)	M	SD	Interpretation
<b>FAIRNESS</b>			
Appraisers are unbiased in evaluations (lowest)	2.38	1.24	Moderate (low end)
Performance standards are realistic (highest)	3.12	1.08	Moderate
<b>Overall Fairness Perception</b>	<b>2.68</b>	<b>0.96</b>	<b>Moderate (below neutral)</b>
<b>TRANSPARENCY</b>			
Reward determination process is transparent (lowest)	2.42	1.28	Moderate (low end)
Appraisal criteria are clearly documented (highest)	2.94	1.14	Moderate
<b>Overall Transparency Perception</b>	<b>2.7</b>	<b>0.98</b>	<b>Moderate (below neutral)</b>
<b>EFFECTIVENESS</b>			
System motivates employees to perform better (lowest)	2.51	1.29	Moderate (low end)
System helps identify training needs (highest)	3.24	1.13	Moderate
<b>Overall Effectiveness Perception</b>	<b>2.81</b>	<b>0.94</b>	<b>Moderate (below neutral)</b>

*Note. Items represent the lowest- and highest-scoring items within each dimension. M = mean; SD = standard deviation. Responses anchored on a 5-point Likert scale (1 = Strongly Disagree, 5 = Strongly Agree).*

**Table 2**

*One-Sample t-Test Results: Appraisal Quality Dimensions Compared to Neutral Midpoint ( $\mu_0 = 3.0$ )*

Dimension	M	SD	t(175)	p	d	95% CI [LL, UL]
Fairness Perception	2.68	0.96	-4.42	< .001	-0.33	[2.54, 2.82]
Transparency Perception	2.7	0.98	-4.06	< .001	-0.31	[2.55, 2.85]
Effectiveness Perception	2.81	0.94	-2.68	0.008	-0.20	[2.67, 2.95]

*Note. LL = lower limit; UL = upper limit of 95% confidence interval. Cohen's d computed as  $(M - \mu_0)/SD$ . All tests are two-tailed.*

Significant differences between departments were observed in all three areas (fairness:  $F(4,171) = 8.34$ ,  $p < .001$ ; transparency:  $F(4,171) = 6.89$ ,  $p < .001$ ; effectiveness:  $F(4,171) = 5.78$ ,  $p < .001$ ), as detailed in Table 3. Tukey HSD post-hoc analyses indicated that employees in the Distribution department reported notably lower perceptions when compared to those in Finance & Administration and Human Resources ( $p < .05$  for all comparisons), which aligns with expectations due to the increased challenge of objectively measuring performance in operational-technical positions.

**Table 3***One-Way ANOVA Results: Appraisal Quality Perceptions by Organizational Department*

Dimension	Source	df	MS	F	p	Tukey HSD (Selected Comparisons)
Fairness	Between Groups	4	1.932	8.34	< .001	Dist. < Fin. & Admin (p=.003); Dist. < HR (p=.007)
	Within Groups	171	0.232	—	—	
Transparency	Between Groups	4	1.648	6.89	< .001	Dist. < Fin. & Admin (p=.010); Gen. < HR (p=.021)
	Within Groups	171	0.239	—	—	
Effectiveness	Between Groups	4	1.273	5.78	< .001	Dist. < Fin. & Admin (p=.014); Trans. < HR (p=.019)
	Within Groups	171	0.22	—	—	

Note. Dist. = Distribution; Gen. = Generation; Trans. = Transmission; Fin. & Admin = Finance & Administration. Tukey HSD post-hoc comparisons reported for significant contrasts only. \*\*\* $p < .001$ .

Notable effects related to tenure were detected ( $p < .001$  across all three aspects; a summary by tenure group is illustrated in Table 4 below). Employees who have been with the organization for 16 or more years demonstrated significantly lower perceptions compared to those with 1–5 years of experience across all three dimensions. This finding supports the cumulative disillusionment hypothesis proposed by Cropanzano and Greenberg (1997), which asserts that continuous exposure to perceived unfairness within organizational frameworks leads to lasting negative attitudes that are difficult to resolve quickly.

**Table 4***Appraisal Quality Perceptions by Employee Tenure Group*

Tenure Group	n	Fairness M	Transp. M	Effect. M	F (df = 3, 172)	p	$\eta^2$
1–5 years	48	3.18	3.22	3.31			
6–10 years	54	2.89	2.91	2.98			
11–15 years	42	2.51	2.53	2.64			
16+ years	32	2.21	2.24	2.39			
<b>ANOVA result</b>	—	—	—	—	<b>11.47***</b>	<b>&lt; .001</b>	<b>0.167</b>

Note.  $\eta^2$  = eta-squared (effect size). \*\*\* $p < .001$ . Tukey HSD post-hoc tests revealed that the 16+ years group differed significantly from the 1–5 years group on all three dimensions ( $p < .001$ ).

Collectively, the sub-neutral mean scores across all dimensions, corroborated by both inferential statistics and qualitative testimony, provide robust empirical evidence for the existence of systemic deficiencies in ZESCO's appraisal system—deficiencies that carry direct implications for the motivational outcomes examined in subsequent analyses.

#### 4.2 Predicting Employee Motivation, Engagement, and Performance

Multiple regression analyses were performed to evaluate the predictive connections between the various aspects of appraisal quality and employee results, as illustrated in Table 5. The motivation model revealed that it could explain 56.0% of the variance in outcomes (Adjusted  $R^2 = .552$ ,  $F(4,171) = 54.96$ ,  $p < .001$ ). Among the predictors, system effectiveness was found to be the most influential ( $\beta = .376$ ,  $p < .001$ ), followed by fairness ( $\beta = .224$ ,  $p = .007$ ) and strategic alignment ( $\beta = .147$ ,  $p = .044$ ). However, transparency did not show a significant independent effect when other factors were taken into account ( $\beta = .112$ ,  $p = .162$ ). Meanwhile, the engagement model accounted for 47.5% of the variance in outcomes (Adjusted  $R^2 = .475$ ,  $F(4,171) = 40.19$ ,  $p < .001$ ), where effectiveness was again the most significant predictor ( $\beta = .324$ ,  $p < .001$ ), succeeded by strategic alignment ( $\beta = .229$ ,  $p = .004$ ) and fairness ( $\beta = .182$ ,  $p = .047$ ). The performance model illustrated a 42.4% explanation of variance (Adjusted  $R^2 = .424$ ,  $F(4,171) = 33.14$ ,  $p < .001$ ), with effectiveness ( $\beta = .324$ ,  $p = .001$ ) and strategic alignment ( $\beta = .223$ ,  $p = .008$ ) being statistically significant, while fairness and transparency did not reach significance. All Variance Inflation Factor (VIF) values were below 2.52, ruling out any issues with multicollinearity.

**Table 5**  
*Standardized Regression Coefficients Predicting Employee Outcomes*

Predictor	Motivation $\beta$	Engagement $\beta$	Performance $\beta$	VIF	t	Note
Fairness Perception	.224**	.182*	.114 (ns)	2.01	2.73	Significant for motivation & engagement
Transparency Perception	.112 (ns)	.094 (ns)	.161 (ns)	1.98	1.39	Non-significant across all models
Effectiveness Perception	.376***	.324***	.324**	2.52	4.61	Strongest predictor across all models
Strategic Alignment	.147*	.229**	.223**	2.11	2.02	
<b>Model F (df = 4, 171)</b>	<b>54.96***</b>	<b>40.19***</b>	<b>33.14***</b>	—	—	
<b>Adjusted R<sup>2</sup></b>	<b>0.55</b>	<b>0.48</b>	<b>0.424</b>	—	—	

Note. \* $p < .05$ ; \*\* $p < .01$ ; \*\*\* $p < .001$ ; ns = not significant. VIF = Variance Inflation Factor. All models controlled for department and tenure.

These results are consistent with Goal-Setting Theory, which highlights the importance of the quality of feedback and the clarity of performance as key factors that motivate individuals (Locke & Latham, 2020). They also reinforce the idea proposed by Equity Theory that perceptions of fairness have a distinct impact on motivation and involvement (Adams, 1965; Cropanzano & Greenberg, 1997). Importantly, the lack of significance of transparency when controlling for other variables indicates that, within this organizational setting, employees place greater importance on the practical effectiveness of the appraisal system what it actually provides rather than the clarity of its processes, especially when both aspects are lacking.

#### 4.3 Mediation Analysis

Path analysis following the Baron and Kenny (1986) framework was conducted to examine whether employee motivation and engagement mediate the relationship between system effectiveness and performance. Table 6 presents the complete set of path coefficients and mediation statistics.

**Table 6**  
*Mediation Path Analysis: Effectiveness, Motivation/Engagement and Performance*

Path / Effect	$\beta$	SE	z / t	p	Indirect %	Interpretation
Effectiveness $\rightarrow$ Performance (direct, no mediator)	0.619	0.067	9.24	< .001	—	Total direct effect
Effectiveness $\rightarrow$ Motivation $\rightarrow$ Performance	0.312	0.058	5.35	< .001	49.60%	Partial mediation via motivation
Effectiveness $\rightarrow$ Engagement $\rightarrow$ Performance	0.264	0.052	6.13	< .001	57.40%	Partial mediation via engagement
Effectiveness $\rightarrow$ Motivation (path a <sub>1</sub> )	0.441	0.06	7.35	< .001	—	Strong positive path
Motivation $\rightarrow$ Performance (path b <sub>1</sub> )	0.348	0.071	4.9	< .001	—	
Effectiveness $\rightarrow$ Engagement (path a <sub>2</sub> )	0.524	0.057	9.19	< .001	—	Strongest path
Engagement $\rightarrow$ Performance (path b <sub>2</sub> )	0.387	0.068	5.69	< .001	—	Engagement > Motivation mediator

Note. Indirect effects estimated using the Sobel test. Bootstrap confidence intervals (1,000 replications) confirmed all indirect effects.  $\beta$  = standardized path coefficient; SE = standard error.

The direct relationship from effectiveness to performance was found to be  $\beta = .619$  ( $p < .001$ ). When motivation was added as a mediator, this direct effect decreased to  $\beta = .312$  (Sobel  $z = 5.35$ ,  $p < .001$ ), with motivation contributing to 49.6% of the overall indirect effect, indicating that it provides partial mediation. When engagement was evaluated as an alternative mediator, the direct effect diminished further to  $\beta = .264$  (Sobel  $z = 6.13$ ,  $p < .001$ ), while engagement represented 57.4% of the total indirect effect. The more prominent mediating function of engagement compared to motivation indicates that the effectiveness of the appraisal system impacts performance not just by enhancing goal-oriented efforts but also by deepening employees' psychological involvement with their work and the organization. These results build upon Saks and Gruman's (2021) theoretical differentiation between job engagement and organizational engagement by empirically demonstrating that perceptions of effectiveness related to appraisals foster both types concurrently, thereby facilitating a sustained enhancement in performance as opposed to a temporary one.

#### 4.4 Qualitative Findings

A reflexive thematic analysis of the interview data led to the identification of five key themes that enhance and provide depth to the quantitative findings. Theme 1: Widespread Subjectivity and Appraiser Bias (supported by 80% of interviewees) indicated that standard appraisal forms coexist with significantly varied interpretive practices among different appraisers, leading to perceived disparities that participants claimed "subvert the credibility of the entire system." Theme 2: Superficial Compliance Lacking Developmental Value (66.7%) depicted the appraisal cycle as merely "a box-ticking exercise," producing generic and non-actionable feedback that is disconnected from the actual developmental needs of employees. Theme 3: The Disconnect between Performance and Rewards (100%) surfaced as the most prevalent dysfunction: participants noted that "regardless of whether you receive a score of 4 or 2, your salary increment remains the same," directly opposing the logic of Expectancy Theory (Vroom, 1964). Theme 4: Disparity in Implementation across Departments (100%) reflected the quantitative ANOVA results, showing that Finance and HR departments, where objective performance metrics are more accessible, consistently applied appraisal processes more rigorously compared to departments focused on technical operations. Theme 5: Bureaucratic Expense without Equivalent Benefit (60%) questioned the cost–benefit justification for the current system, with participants expressing skepticism about the value of a resource-intensive process that yields minimal enhancements in either individual or organizational performance.

#### 4.5 Discussion

##### 4.5.1 Fairness and Transparency Deficits

The finding that employees perceive the appraisal system as significantly deficient in both fairness and transparency carries important theoretical and practical implications. Consistent with Equity Theory (Adams, 1965; Cropanzano & Greenberg, 1997), qualitative data reveal that perceived unfairness engenders cynicism and resentment among employees, triggering disengagement particularly among high performers who perceive the greatest inequity between their contributions and their outcomes. These findings extend prior qualitative analyses of performance management deficiencies in East African public organizations (OECD, 2021) and earlier descriptive work on Zambian public utilities (World Bank, 2022) by providing rigorous quantitative corroboration.

The transparency deficit is especially consequential at the item level. The lowest-rated item across all appraisal dimensions was "the reward determination process is transparent" ( $M = 2.42$ ), indicating that employees lack confidence in the fundamental performance reward linkage that underpins instrumentality beliefs (Vroom, 1964). The fact that all qualitative participants independently identified the performance–reward disconnect as a primary driver of demotivation underscores both the severity and the pervasiveness of this instrumentality failure within the organization.

##### 4.5.2 System Effectiveness as the Central Motivational Driver

The consistent emergence of system effectiveness as the dominant predictor of motivation ( $\beta = .376$ ), engagement ( $\beta = .324$ ), and performance ( $\beta = .324$ ) yields a theoretically important insight: employees are more powerfully influenced by the perceived practical utility of an appraisal system than by its procedural transparency. When employees believe the system generates accurate evaluations, enables meaningful decisions, and supports their professional development, they exhibit elevated motivation and engagement. The superiority of effectiveness over transparency in predicting motivation suggests that, in resource-constrained organizational contexts, employees discount procedural visibility in favor of substantive outcomes a finding with critical implications for the sequencing of reform interventions.

This conclusion extends Goal-Setting Theory by demonstrating that high-quality feedback and precise performance evaluation are not merely facilitative features but constitutive prerequisites for goal-directed performance improvement (Locke & Latham, 2020). At ZESCO, where motivation scores fall significantly below the neutral benchmark ( $M = 2.67$ ), enhancing perceived effectiveness through improved feedback quality, more transparent evaluation criteria, and stronger performance–outcome linkages represents the highest-leverage reform opportunity available to management.

##### 4.5.3 Employee Engagement as a Critical Mediator

The finding that engagement accounts for a greater share of the indirect effectiveness–performance relationship (57.4%) than does motivation (49.6%) represents a substantively important theoretical contribution. The distinction between motivation which energizes goal-directed effort—and engagement—which anchors employees' psychological identification with their work and organization—suggests that improvements in appraisal effectiveness operate through deeper psychological channels than instrumentally rational behavioral adjustments alone. Saks and Gruman (2021) argue that engagement, unlike motivation, generates enduring attitudinal and behavioral change; the current findings provide empirical support for this proposition in a public utility context, suggesting that appraisal reforms targeted at enhancing perceived effectiveness are more likely to produce durable performance improvements than those focused narrowly on motivational incentives.

#### 4.5.4 Departmental and Tenure Contingencies

The significant inter-departmental and tenure-related variations in appraisal quality perceptions introduce important contextual moderators that enrich the study's theoretical contribution. The consistently lower perceptions reported by employees in technical departments Generation, Transmission, and Distribution relative to administrative counterparts reflect the inherent challenges of objective performance measurement in technically complex roles, where appraiser discretion is correspondingly elevated and role-specific performance criteria are more difficult to codify (Aguinis et al., 2013). This implies that a uniform appraisal architecture is poorly suited to organizations that encompass fundamentally different performance domains, underscoring the theoretical and practical importance of developing tailored measurement systems calibrated to role-specific performance realities.

The tenure effect—whereby employees with longer organizational tenures report systematically lower appraisal quality perceptions—introduces a longitudinal dimension that cross-sectional appraisal research has frequently overlooked. These findings suggest that perceived injustice accumulates over time, producing increasingly crystallized negative attitudes that are resistant to incremental reform efforts. This has significant implications for change management: organizations seeking to rehabilitate deficient appraisal systems must anticipate the need for more intensive and credible reform signals to overcome the accumulated skepticism of longer-tenured employees.

### V. CONCLUSION & RECOMMENDATIONS

#### 5.1 Conclusion

This research aimed to explore how management-level employees at ZESCO Limited view the fairness, transparency, and effectiveness of their performance appraisal system, and how these views influence their motivation, engagement, and overall performance. The findings are clear: employee perceptions regarding the quality of appraisals are markedly lower than a neutral perspective, indicating systemic issues that undermine motivational results. Effectiveness of the appraisal system was identified as the most significant predictor for all three employee outcomes, while engagement was found to be a more influential mediator than motivation in the effectiveness-performance relationship. This insight enhances the theoretical understanding of how the quality of appraisals impacts performance through psychological mechanisms that extend beyond mere goal setting. Notable variations related to departments and tenure reveal that experiences with the appraisal system are inconsistent; employees in technical departments and those with longer tenure experience the most significant levels of dissatisfaction. From a theoretical standpoint, the study validates the importance of combining Equity Theory and Goal-Setting Theory within public utility contexts, highlights engagement as a more effective mediating factor than motivation in the effectiveness-performance link, and identifies perceived efficacy of appraisals as a crucial psychological lever affecting employee outcomes across varying dimensions of system quality. These findings contribute to a deeper understanding of the interplay between justice and motivation in bureaucratic, resource-limited organizations in Sub-Saharan Africa.

#### 5.2 Recommendations

Three key interventions for the management and human resources professionals at ZESCO have been identified. Firstly, redefining the link between performance and rewards stands out as the most urgent necessity, as the disconnection between appraisal evaluations and real-world results was identified by all qualitative participants as a major factor contributing to demotivation. In circumstances where budget constraints limit salary increases, offering varied developmental opportunities, fast-tracking advancement for top performers, and implementing structured non-financial recognition initiatives can effectively restore beliefs in the reward system with relatively low expense. Secondly, minimizing subjectivity among evaluators can be achieved by incorporating behavioral rating anchors, conducting calibration sessions among raters, and providing structured training on bias awareness for appraisers, which would tackle the issues of procedural fairness that contribute to the perceived lack of equity. Thirdly, shifting from annual appraisal procedures to ongoing performance discussions that utilize structured feedback formats, regular interim check-ins, and ensuring managerial responsibility for the quality of feedback would greatly enhance the perceived effectiveness of the appraisal system and its motivational effects. Technical departments, which consistently reported lower perceptions across all metrics, require specific measurement frameworks that include objective and role-specific performance indicators.

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