## DRIVING WORK MOTIVATION OF SUBORDINATES THROUGH EFFECTIVE COMMUNICATION SKILL OF MANAGERS IN GOAL SETTING AND PERFORMANCE APPRAISAL

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A THEMATIC PAPER SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTER OF MANAGEMENT COLLEGE OF MANAGEMENT MAHIDOL UNIVERSITY 2018

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## Thematic paper entitled DRIVING WORK MOTIVATION OF SUBORDINATES THROUGH EFFECTIVE COMMUNICATION SKILL OF MANAGERS IN GOAL SETTING AND PERFORMANCE APPRAISAL

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#### **ABSTRACT**

This research's objective is to study how the effectiveness of manager's communication skills in goal setting and performance appraisal can drive motivation level of subordinates to enhance work performance. The results provide practical advice and implications for managers to communicate effectively with their subordinates.

This research used qualitative research methodology in order to gain insightful information. The data were collected by face-to-face interviews with managers and staff in a well-known audit firm. The respondents consist of ten respondents in manager role and another ten respondents in subordinate role. The structured interview questions were used for the data collection. Having good personal relationships and remaining anonymous when responding to questions helped all respondents feel more relaxed and open.

The research findings show that performance is a combination of motivation and ability. Increasing motivation level leads to a higher level of productive performance. Employees' motivation varies from individual to individual, which depends on many factors such as current personal needs, financial and family obligation, education development, family background, and health concerns. The top-four motivations can be summarized from the content analysis: to be recognized, to support and drive team's performance, to earn a higher salary and bonus, and to get promoted. Similarly, the managers are very aware that they can drive a higher level of subordinates' motivation to get a higher level of productive performance by visualizing them that their goals achievable. To do so, it can drive higher level of motivation. The strategic tools that the managers used are goal setting and performance appraisal.

KEY WORDS: Employee Motivation/Effective Communication /Performance Enhancement/ Goal Setting

55 pages

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3.1 Conceptual Framework





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# CHAPTER I INTRODUCTION

Nowadays, most of organizations are highly aware and emphasize the important of employees' work performance because of its valuable productivity to complete with other competitors. When talking about employees, it is absolutely a part of human resources strategy which it involves how to effectively use its people to achieve organization's vision, mission, and business objective. In human resources strategy, there are many parties and activities involved.

When we are talking about organizational assets, it usually refers to 3 types of assets: physical asset, financial asset, and human asset. Absolutely, employees are essential to business success, but often fail to manage them. The author is particularly interested in employee's work performance enhancement. One of the reasons is that how to increase current employees' work performance is always a part of human resource strategies. It sounds like easy but it is actually very challenging and complex. The employees who become great performers will also increase productivity to their organizations. Then, the author has found one interesting concept that performance is a combination of motivation and ability. Any increase or decrease in either motivation or ability directly affects performance. Measuring current abilities are much easier than measuring current motivation level. Imagine, if you are a typical student, your motivation to study hard depends on whether you like the course content, how much you like and respect your instructor, and how grades are evaluated. Your academic ability is fairly stable from course to course, but your motivation level is much more variable. This concept is similar to employee's life as well; academic course and job responsibility, teacher and manager, and academic grade and employee performance appraisal.

The author has scoped down to what manager level could help an organization. Manager role is essential in an organization, and has many crucial responsibilities to help organization build great performers to drive organizational success. Based on the author's experience in HR, manager can be a part of driving factors to increase motivation level. The simple example of motivation is to get promoted in this fiscal year but the employee does not believe that it is possible. The motivation level will be low; however, it can be higher if a manager discussed with him/her how to prepare, get ready, and improve themselves in order to perform more effectively and efficiently. With good performance, it gives possible opportunity for this employee to be considered for promotion.

As mentioned above, it becomes the author's inspiration to research how effective communication skill of managers in goal setting and performance appraisal can drive motivation level of subordinates to enhance work performance. Effective communication is one of important skills for being a manger, but often is ignored or not really highlighted its benefits towards employee enhancement.

The research focuses on how effective communication skill of managers in goal setting and performance appraisal can drive motivation level of subordinates. The author believes that it is one of key factors driving motivation level to enhance subordinates' work performance. It is worth investing on developing and training effective communication skills for manager to be able to effectively undertake goal setting and performance appraisal with employees rather focusing on amount salary or financial benefits that managers as employee could not control. Many human resources strategies put lots of effort on uncontrollable factors or factors that involves too many stakeholders, but fail to implement what really make an impact with work performance at lower cost, less time consuming, and most importantly; it benefits all. The organizations where there are lots of good performers, they increase productivity, innovation, contribution, and efficiency to their organizations. Managers have developed themselves in effective communication skill and managerial skill while subordinates have also improved themselves resulting in higher level of productive performance, and finally it builds learning culture in the organization.

The next chapter presents literature review. Chapter 3 illustrates research methodology, sampling group, data collection and data analysis. Then, chapter 4 represents all research findings. Finally, it summarizes conclusion of findings, recommendation, limitation, and future research towards the author's hypothesis in chapter 5.

## 1.1 Objectives of the Study

1. To study how effective communication skill of managers in goal setting and performance appraisal can drive motivation level of subordinates to enhance work performance

2. To suggest practical implications for managers to effectively communicate with their subordinates about goal setting and work performance

## **1.2 Scope of the Study**

In this study, one of the well-known auditing firm, shared service function was used as a case study. There are 20 respondents who participated in the interviews; 10 respondents in manager role, and another 10 respondents in subordinate role.

For the manager role, respondents were divided into a group of senior manager (more than 5 years of experiences in manager role), and a group of junior manager (1 to 5 years of work experiences in manager role).

For the subordinate role, respondents were divided into a group of senior staff (more than 7 years of work experiences), and a group of junior staff (new graduate to 7 years of work experiences).

## **1.3 Expected Benefits**

This thematic paper aims to study how effective communication skill of managers in goal setting and performance appraisal can drive motivation level of subordinates to enhance work performance. An organization will benefits from higher work productivity of employees.

# CHAPTER II LITERATURE REVIEW

## 2.1 Definition of Healthy Organization

As human resource is one of key assets in an organization, therefore, it can also determine whether or not an organization is healthy or unhealthy. A healthy organization enables individuals to learn, grow, and develop. It indicates that organizations should design and develop strategies to support individual to learn, grow, and develop (Dive, 2004).

### 2.2 The HR department and Managers: An important Partnership

Nowadays, it is undoubtedly that human resources department could not work alone and will not be able to achieve organizational goal at all without support from other managers. The HR department is primarily responsible for helping the firm meet its business objectives by designing HR programs, but managers must carry out these programs, for example, the HR department may develop a form to help manager measure the performance of subordinates, but it is the managers who conduct the actual evaluation (Gomez-Mejia, Balkin & Cardy, 1998). Therefore, it brings a very important point that manager is a key person who can motivate or demotivate employees. Effective communication skill of manager through goal setting and performance appraisal is very essential to drive performance.

## 2.3 Managers' Responsibilities

As mentioned above that managers are an important factor working with organization and human resources department regarding performance, it is beneficial to look at managers' responsibilities when dealing with employee performance management process. Gilley J.W., Eggland & Gilley A.M. (2002) have described several responsibilities of manager, and below are the outstanding ones:

- 1. Developing positive relations with employees
- 2. Establishing appropriate performance goals
- 3. Enhancing performance improvement
- 4. Conducting developmental evaluations both strengths and weaknesses

5. Creating employee growth and development plans both long-term and short-term plans

## 2.4 Important of Performance Enhancement

Generally, every employee can enhance their performance, no matter if their current performances are excellent, good, or poor. Performance enhancement focuses on increasing or improving the quality which it refers to productivity performance. Productivity is a measure of how much value individual employees add to the goods or services that the organization produces (Gomez-Mejia, Balkin, Cardy, 1998). The greater the output per individual is the higher the organization's productivity.

Managers should not focus on subordinates who have poor performance only. Managers should pay attention to all subordinates; absolutely the objective might be different for each type of performance. Ignoring subordinates who their performance meet or exceed expectation could lead to lower productivity as well.

#### 2.4.1 Exceed Performance Expectation (High Performance)

Employees who have high performance can have motivation and morale problems as well. If they do not receive any appropriate feedback and recognition, or challenging goal setting, they might stop giving as much.

#### **2.4.2 Meet Performance Expectation (Normal Performance)**

This group of employees should be motivated to exceed performance expectation in the future. They should know that their performance meet organizational expectation. Without communicating and working with them, they might have misunderstanding that their performance is already excellent and might drop their performance later, or they might feel discouraged that their performance were not good at all so their managers do not want to mention about it. Proper feedback and goal setting will be essential for this group as well.

#### **2.4.3** Below Performance Expectation (Poor Performance)

Once performance feedback has been delivered to the employee, the employee should have the reasonable amount of time to correct the performance. Thus, this is very important, especially in the case of developmental feedback. No one would like to receive criticism or developmental feedback in public or in front of peers. More important, managers should encourage their subordinates to respond, ask questions, and get their participation in develop action plan in order to improve their performance.

## **2.5 The Characteristics Determining Performance**

There are two important characteristics that determine performance which are motivation and ability (Gomez-Mejia, Balkin &Cardy, 1998). It means that a high ability level can yield poor performance if it is combined with low motivation and vice versa.

## 2.6 The Power of Work Motivation

The work motivation refers to a person's desire to do the best possible job or to exert the maximum effort to perform assigned tasks. An important feature of motivation is that it is behaviour directed toward a goal. Several key factors affective employee motivation includes work design, matching employee with work requirements, reward, and due process (Gomez-Mejia et al., 1998).

There are so many theories explaining about what can motivate employees. It is very much essential for managers to use it to motive their employees to achieve higher levels of performance. The managers should study and apply it when communicating with their subordinates about goal setting and performance appraisal. Once managers understand the motive in employees, it can help managers design the goals, messages, assignments, messages, and favorable types of recognition more effectively. There are three useful theories to help mangers understand work motivation better.

### 2.6.1 Two-Factor Theory of Motivation

It is developed by Frederick Herzberg. This theory divides the factors in to set of motivator and set of Hygiene or Maintenance Factors (Gomez-Mejia et al., 1998).

2.6.1.1 Set of Motivator: They are internal job factors that lead to job satisfaction and higher motivation. To be noticed that salary is not belong to the set of motivator.

- The work itself
- Achievement
- Recognition
- Responsibility
- Opportunity for advancement

2.6.1.2 Set of Hygiene or Maintenance Factors: They are external to the job; they are located in the work environment. The absence of a hygiene factor can lead to active dissatisfaction and demotivation and, in extreme situation, to avoidance of the work altogether.

- Company policies
- Working conditions
- Job Security
- Salary
- Employee Benefit
- Relationship with supervisors and managers
- Relationship with coworkers
- Relationship with subordinates

From this theory, it is quite obvious that a manager can motivate employees to perform at their full potential, for example, communicating about employee's goal (achievement), provide recognition when an employee has done a great job, sharing and planning opportunity for advancement through performance management. Moreover, good and effective communication can promote better relationship between manager and employees. Besides, positive morale does not stay only for two people (a manager and an employee), it builds positive morale for the entire team.

More research from Thanchanok (2014) that reward, recognition, and work environment have impact on employee performance. Her research concludes that recognition is the most significant factor that influences employee performance. Another research from Ekaluk (2014), one of motivation factors is relationships with peers positively correlated with the employee performance.

### 2.6.2 Work Adjustment Theory

Every worker has unique needs and abilities. Work adjustment theory suggests that employees' motivation levels and job satisfaction depend on the fit between their need and abilities and the characteristics of the job and the organization. A poor fit between individual characteristics and the work environment may lead to poor level of motivation. For example, one job might be so much interesting for one person, but not for the other one. Another example would be not all employees would be happy involving in decision making of firm strategies, but another one puts extra effort when he/she is a part of those firm strategies (Gomez-Mejia et al., 1998).

### **2.6.3 Maslow's Theory of the Hierarchy of Needs**

This theory is very much well-known talking about needs. The author would like to point out that effective communication from a manager can help fulfilling some needs of employees and leading to motivation and performance enhancement (Pincus, 2004).

- Physiological needs: food, water, air, rest, and shelter
- Safety needs: protection from physical harm and freedom from fear of deprivation
  - Social needs: friendships, affection, and acceptance
  - Esteem needs: self-respect, respect of others, recognition, and achievement
  - Self-actualization needs: person's realization of individual potential, creative

talents, and personal future fulfillment

Communication becomes a basic but important factor to meet self-esteem and actualization needs based on Maslow's theory. For example, employees need respect recognition, and achievement. If a manager can response to those needs, the result is higher level of performance. How to response to the need or recognition, a manager just has to communicate with employees when they have done a good jobs.

## 2.7 Manager's Essential Skill: Effective Communication

Being a manager is not easy. Generally, they have to be qualified in both technical and soft skills. One of the most valuable skills that a manager can possess is the ability to effectively communicate with others (Kikoski, 1999). Many surveys and articles have confirmed the idea that effective communication is essential for success and promotion in business. The ranking is (Murphy, Hildebrandt & Thomas, 1997):

- Ranking No.1: Ability to communicate
- Ranking No.2: Ambition-drive
- Ranking No.3: College education
- Ranking No.4: Sound decision-making skills
- Ranking No.5: Self-confidence
- Ranking No.6: Good appearance
- Ranking No.7: Ability to get things done with and through people
- Ranking No.8: Capacity for hard work

When employees receive appropriate downward communication from management, they can be better motivated and more efficient; therefore, employers who communicate effectively have more productive employees (Murphy et al., 1997). Moreover, Gomez-Mejia, Balkin & Cardy (1998) provided information about managers (supervisors) who manage performance effectively generally share four characteristics:

- Explore the causes of performance problem
- Direct attention to the cause of problems
- Developing an action plan and empower workers to reach a solution
- Direct communication at performance

## 2.8 Theory of LILI

Communication between managers and employees is critical to effective performance management. Exactly what is communicated and how it is communicated can determine whether performance improves or declines (Gomez-Mejia et al., 1998).

Chingos (2002) explained the theory of LILI which stands for listening, involving, leading, and informing.

### 2.8.1 Listening

Listening to information is very important to understand how it is perceived now. It also helps in covering misunderstandings, missing information, and any concerns that have not been aware of before.

#### 2.8.2 Involving

When communicating with subordinates or others, it is more effective if they are involved in the topics, goals, solutions, or action plans. Once they are involved, it is easier to get their commitment and potentially lead to desired behaviour or result easier than no involvement.

#### 2.8.3 Leading

Leading is communicated through actions and behaviours. A manager must demonstrate desired behaviour in their work, and be a good role model. If managers could not demonstrate the desired behaviour leading to desired performance, their subordinates might feel motivated to do so as well.

#### 2.8.4 Informing

Even though informing is important, it would be nothing without listening, involving, and leading because it can lead to misinformation and misunderstanding. It works like a conclusion for employees to know what to do.

## 2.9 Assertive Behaviour in Effective Communication

Moreover, assertive behavior involves in effective communication of a manager. Asserting behaviour enables manager to maintain respect, satisfying employees' needs without controlling them. There are three behaviours that a manager potentially does when confronting employees regarding performance (Gilley J.W., Eggland & Gilley A.M., 2002)

### 2.9.1 Aggressive Behaviour

A manager may criticize an employee for poor performance, and does not care much what is important to employees.

#### 2.9.2 Submissive Behaviour

These managers do not express their honest feelings, needs, and concerns. Even though some managers say their need, non-verbal message has not been communicated such as lack of eye contact, not confident voice to suggest anything. The worse thing is that these submissive managers often think they have communicated clearly, but actually employees do not understand.

## 2.9.3 Assertive Behaviour

This is a recommended behaviour for a manager when confronting employees. Assertive managers can communicate the message in direct and appropriate ways without dominating their employees. While meeting their own needs, they do not violate the needs of their employees.

#### **2.10 Important of Face-to-Face Communication**

Actually, there are many types of communication channels such as electronic mail, phone call, letter, or face-to-face as example. Focus on interaction between managers and employees; they normally go through all type of communications at workplace for different purposes. However, in relations to performance appraisal and performance enhancement, the author would like to highlight that face-to-face communication is appropriate for many situations in the followings:

• When there are needs the richest nonverbal cues, including body, voice, proximity, and touch

• When the issues are especially sensitive such as discussing about poor performance feedback or any work conflict

• When establishing rapport and positive relationship is essential

Moreover, Kikoski (1999) has mentioned the effective face-to-face communication is more critical than performance appraisal interview. The article also point out that although the most important step in performance appraisal is the discussion between the manager and employee, managers are seldom well-trained in how to conduct these discussions and how to conduct performance appraisal interviews

## 2.11 Effective Communication in Goal Setting: Goal Setting Theory

Before manager and employee actually go through performance appraisal, the process should start with goal setting. Goal setting within performance appraisal has been associated greater performance satisfaction, higher job satisfaction, and increased performance. Goal setting is quite different from performance appraisal. Goal setting is a set for a future achievement, but performance appraisal is considered as past performance review.

According to Roberts (2003), goal setting is a powerful motivational technique because both intrinsic and extrinsic satisfaction flows from goal achievement. An effective appraisal process requires employee feedback. Feedback is essential in gaining maximum benefits from goal setting. Without feedback, employees are unable to make adjustments in job performance or receive positive reinforcement for effective job behaviour. Performance feedback is effective in changing employee work behaviour and enhances employee job satisfaction and performance.

Referring to Gomez-Mejia et al. (1998) Goal setting theory is developed by Edwin Locke, suggest that employees' goals help to explain motivation and job performance. Motivation is goal-directed behaviour, goal that are clear and challenging will results in higher level of employee motivation than goals that are ambiguous and easy. This theory also suggests that manager can increase employee motivation by managing the goal-setting through specific goal, attainable goal, employee involvement, and frequencies of feedback.

#### 2.11.1 Specific Goal

Comparing between these two sentences said by a manager: "It is alright, just do the best you can", and "your goal is to increase store profitability by 20% in the next 6 months". Which one is more motivated to achieve the goal? Obviously, specific goal that gives a clear direction what they have to achieve.

### 2.11.2 Attainable goal

Employees will be more motivated to accomplish difficult goals than easy goals. However, the goal must be attainable; otherwise the employee is likely to become frustrated.

#### 2.11.3 Employee Involvement

Generally, goals that employees participate in creating for themselves are more motivating than goals that are simply assigned by managers. However, managers have to be aware that each employee might be comfortable at different level of employee involvement.

#### **2.11.4 Frequencies of Feedback**

Employees who receive appropriate frequencies of feedback on their progress towards reaching their goals will lead to higher levels of motivation and performance than employees who do not get any feedback or inappropriate frequencies (too often or not enough) of feedback.

## 2.12 Effective Communication in Performance Appraisal

According to Hawley (2004), communication in a workplace or organization between manager and subordinates often involve in performance appraisal. Everyone needs some type of reinforcement. Keep silence does not make an employee humble or motivated. Employees do not only need performance feedback to improve themselves, but its recognition also works as one of many factors to motivate them to improve their performance (Gomez-Mejia et al., 1998) As the author has mentioned earlier that different level of performance needs different performance enhancement, and a manager has to aware of. Therefore, it is important to understand the objective of performance appraisal first.

Gomez-Mejia et al. (1998) has explained about performance appraisal that organizations usually conduct performance appraisals for administrative and/or developmental purposes. Performance appraisals are used administratively whenever they are the basis for a decision about employee's work conditions, including promotions, termination, and rewards. Developmental uses of appraisal, which are geared toward improving employee's performance and strengthening their job skills, include counseling employees on effective work behaviors and sending them for training.

## 2.13 Effective Communication in Providing Constructive Feedback

To maximize the effectiveness of the performance appraisal, there is a useful guideline for managers to providing constructive feedback (Gomez-Mejia et al., 1998).

• Conduct the appraisal in private and allow enough time for the employee to discuss issue important to him or her

• Present perceptions, reactions, and opinions

• Refer to the relevant performance, behaviour, or outcomes, not to a person. It is important that communication regarding performance be directed at the performance and not at the person. Open-minded communication is more likely to uncover the real reason for performance problem and thus pave the way for an effective solution.

• Provide feedback in term of specific, observable behaviour, not general behaviour

• Talk in terms of established criteria, probable outcomes, or possible improvement

• Discuss performance and the specific behaviours that appear to be contributing to or limiting full effectiveness.

• Suggest possible means of improving performance in discussing problem areas that contain technical or established procedures for achieving solutions

• Avoid loaded terms (for example, crabby, stupid, mess-up), which produce emotional reactions and defensiveness.

• Concentrate on those things over which an individual can exercise some control, and focus on way that indicate how the employee can use the feedback to improve performance

• Deal with defensiveness or emotional reactions rather than trying to convince, reason, or supply additional information

• Give feedback in a manner that communicates acceptance of the appraise as a worthwhile person and of that person's right to be an individual

• Keep in mind that feedback is intended to be helpful and, therefore, should be tied with specific development plans to capitalize on strengths and minimize performance weaknesses.

# 2.14 Common Communication Problem between Managers and Subordinates: Theory of Seven Performance Killers

Gilley J.W., Eggland & Gilley A.M (2002) have mentioned about Theory of Seven Performance Killers. This theory is talking about what a manager has to be careful when communicating with employees or subordinates. Sometimes the well-intended and innocent comments can negatively impact or shut down employee performance if used at the wrong time or in the wrong way and hurt employees' confidence or self-esteem.

## 2.14.1 Criticizing

Making negative comments about employee's performance, attitudes, and decisions are all forms of criticism.

#### 2.14.2 Stereotyping

Most stereotyping has negative overtones and place employees in boxes that cannot possibly describe their good quality. For example, "women are too emotional to be managers.

#### 2.14.3 Advising and providing solutions

Giving employees "the solution" to their problems in a way that interferes with their ability to solve it themselves is negative advising. These are often "If I were you, …" statements, which severely restrict employee's growth and development and force them to become totally dependent upon the manager.

#### 2.14.4 Ordering

It is a process of commanding employees to do what one wants. This approach makes employees feel against to do what a manager wants.

#### 2.14.5 Moralizing

It is demoralizing, and foster resentment and anxiety because managers tell employees what "should do", rather them helping them to decide the best solution.

#### 2.14.6 Threatening

Trying to control employees' actions by warning of negative consequences is threatening. It will produce immediate defensive behavior.

#### 2.14.7 Reassuring

Managers try to say statement that comforts employees, but they actually do the opposite side. For example, it will work out in the end. A manager should have courage to help taking away stress or fear of employees in other ways.

## 2.15 Definition of Effective Communication of Managers in

Goal Setting and Performance Appraisal

In this thematic paper, effective communication consists of three aspects: communication skills, communication channel, and behaviour of managers. First, communication skills include theory of LILI; listening, involving, leading, and informing. Also, it includes constructive feedback and proper frequency of face-to-face meetings. It is difficult to determine the exact number of frequencies; however, the recommendation is at least two official face-to-face meeting of performance appraisal per year so that there is enough time for employees to develop themselves. Second, face-to-face communication is needed when communicating goal setting and performance appraisal because nonverbal language often give the important clues. Finally, a manager possesses assertive behaviour which a manager can communicate the message in direct and appropriate ways without dominating their employees. While meeting their own needs, they do not violate the needs of their employees.



# CHAPTER III RESEARCH DESIGN

# 3.1 Conceptual Framework

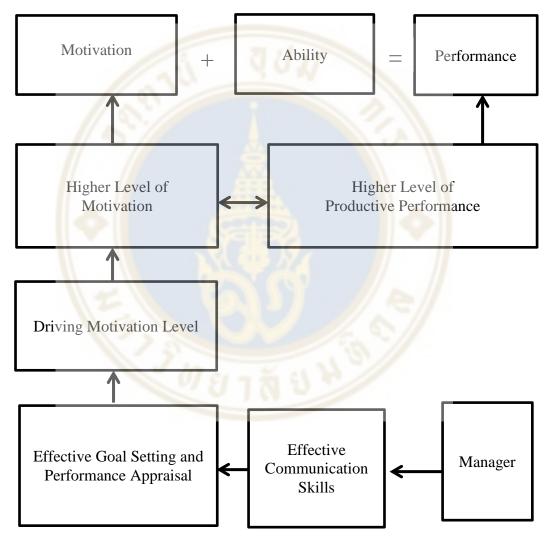


Figure 3.1 Conceptual Framework

This conceptual framework is derived from combination of two concepts and one theory. First, there is a concept of manager's responsibilities which it includes enhancing performance improvement (Gilley J.W., Eggland & Gilley A.M., 2002). Second, there is a concept of determining performance by Gomez-Mejia, Balkin &Cardy (1998). There are two characteristics determining performance which are motivation and ability. Based on the assumption that level of ability remains the same, increasing or decreasing in motivation level will directly affect level of productive performance. It is a relation between motivation and performance. Finally, these two concepts have been combined with the two-factor theory of motivation (Gomez-Mejia et al., 1998).

Therefore, the research will study how effectiveness of manager's communication skills in goal setting and performance appraisal can drive motivation level of subordinates to enhance work performance.

## **3.2 Hypothesis**

Effective communication skill of managers through goal setting and performance appraisal can drive motivation level of subordinates.

## **3.3 Research Design**

The author has decided to do qualitative research, and structured interview methodology during data collection stage. Cooper & Schindler (2014) mentioned that Qualitative research includes an array of interpretive techniques which seek to descript, decode, translate, and otherwise come to terms with the meaning, not frequency. Qualitative research aims to achieve an in-depth understanding of a situation.

The interview questions will be structured so that the author could have control over the questions and question order. It provides easier framework for analysis.

In addition, the author has been working as a recruiter for almost four years; therefore, the author's has got interviewing skill. The research topic needs to interview people and live interact and response with people in sampling group as the author aims to know the depth thought and surrounding context towards hypothesis. When discussing about motivation, the respondents could be easily convinced to the leading questions. Using face-to-face interview, it will help the author observing respondents if they really understand the questions and encourage open communication to get the meaningful information for research topic. Moreover, it gains detailed information and more insight into the meaning of what happened or is happening. The research steps are planned as following:

- 1. Hypothesis
- 2. Literature Review
- 3. Draft structured interview questions
- 4. Pilot interview questions to ensure the quality of interview questions
- 5. Select sampling group
- 6. Conduct structured interview
- 7. Analyze interview data

## **3.4 Research Questions**

There are two sets of research questions: one set for manager role, and another one for subordinate role. The research questions after pilot interview questions are prepared as the following:

#### 3.4.1 Research Questions for Manager Role

There are 30 questions as following:

- 1. Age
- 2. Gender
- 3. How long have you been in the role of manager or supervisor?
- 4. How many subordinates do you have?

5. Besides your technical abilities, do you think effective communication is an essential skill for being a manager? Why? Please share your thoughts and experience.

6. Do you think your subordinates fully understand what you have communicated in general?

7. For your own experience, does the number of your subordinates affect the quality of managing your subordinates? Please share your experience.

8. In your opinion, what are important responsibilities when you have your own subordinates to manage? And why are those responsibilities are important?

9. Do you think you play an important role motivating employee's work performance?

10. Do you think goal setting and employee performance appraisal are important responsibilities for a manager to enhance subordinates' work performance?

11. Regarding goal setting, are you and your subordinates involving in setting their goal? How does it work?

12. From your own experience, what is an effective goal setting?

13. How often do you undertake performance appraisal with your subordinates?Do you think the frequency is appropriate? Why?

14. For performance appraisal, do you plan in advance what you are going to communicate with your subordinates? What have you planned? Why?

15. Do you undertake employee performance appraisal face-to-face? If yes, please share reasons. If not, what types of communication channel you chose? Please share reasons.

16. From your own experience, what is an effective performance appraisal?

17. While communicating positive feedback with your subordinates about their strengths or good performance, how do your subordinates respond to you during the meeting? Do they trust on what you have said?

18. After you have communicated positive feedback with your subordinates, does their work performance show higher productivity; remain the same or decreased productivity? And why?

19. For positive feedback, do you still discuss about action plan how to make your subordinates' work performance greater or strengthen their skills? Why?

20. Are you comfortable in communicating developmental feedback with your subordinates about developmental area of performance? Why?

21. While communicating developmental feedback with your subordinates, how do your subordinates respond to you? Do they agree with your feedback?

22. Have you and your subordinate gone through solutions and action plans together? Why? How?

23. After you have already communicated developmental area with your subordinates, does their work performance show higher productivity; remain the same or decreased productivity? And why?

24. From your own observation, which ones of the following behaviour best describe you, and do you think there is any positive or negative impact when undertaking performance appraisal?

• Aggressive behavior: may criticize an employee for poor performance, and does not care much what is important to your subordinates.

• Submissive behaviour: do not express your honest feelings, needs, and concerns. Even though you say your need, non-verbal message has not been communicated such as lack of eye contact, not confident voice to suggest anything.

• Assertive behaviour: can communicate the message in direct and appropriate ways without dominating your employees. While meeting your own needs, you do not violate the needs of your subordinates.

25. Do you agree that individual performance is a combination of motivation and ability? Please share your thoughts.

26. For your own subordinates' work motivation, what are your techniques to know exactly about their motivation so that you can use to enhance their performance? Have you ever asked them directly, or you prefer to observe them by yourself? Do you believe in information you gained?

27. What do you think what is common motivation of employees?

28. Do you think that motivation can be changed time to time?

29. In your opinion, do you agree that increasing in motivation level while level of ability remains the same can increase higher level of work performance? Why?

30. In your opinion, how strongly do you agree with this statement: effectiveness of manager's communication skills in goal setting and performance appraisal can drive subordinates' motivation level? Please share your reasons.

#### **3.4.2 Research Questions for Subordinate Role**

There are 26 questions as following:

- 1. Age
- 2. Gender

3. How many years are your work experiences?

4. In your opinion, what is essential soft skill to be a manager?

5. Do you think effective communication is an essential skill to be a manager? Why?

6. In your opinion, what are important responsibilities of managers when they have to manage subordinates' work performance? And why are those responsibilities are important?

Do you have any involvement in goal setting and performance appraisal?
 Do you think it is better than no involvement? Please share reasons.

8. From your own experience, what is an effective goal setting?

9. How often is your performance appraisal or performance feedback? Do you think frequency is appropriate?

10. Has your performance appraisal with your manager always been done face-to-face? If yes, do you think it is appropriate? If there are other commination channels, please specify.

11. For positive feedback about your performance, how do you respond to the messages from your manager? Do you trust their feedback? Please share reasons.

12. After you have received positive performance feedback from your manager, are you more productive, less productive, or keep the same level of productivity?

13. Does your manager discuss about action plan how to make your work performance greater, or strengthen your skills?

14. For developmental feedback, how do you respond to the messages from your manager? Do you agree with the feedback? Please share the reasons.

15. After you have received developmental feedback from your manager, are you more productive, less productive, or keep the same level of productivity?

16. From your own experience, what is an effective performance appraisal?

17. From your own experience, which ones of the following behaviour best describe your manager, and do you think there is any positive or negative impact when undertaking performance appraisal?

• Aggressive behavior: may criticize an employee for poor performance, and does not care much what is important to your subordinates.

• Submissive behaviour: do not express your honest feelings, needs, and concerns. Even though you say your need, non-verbal message has not been communicated such as lack of eye contact, not confident voice to suggest anything.

• Assertive behaviour: can communicate the message in direct and appropriate ways without dominating your employees. While meeting your own needs, you do not violate the needs of your subordinates.

18. Do you believe in the results of performance appraisal? Why?

19. In general, do you fully understand messages your manager communicated to you? For example, a message could be about work instruction, meeting agenda, or employee feedback.

20. What is your motivation to come to work every day?

21. What is your motivation enhance your work performance in every day?

22. Does your manager know what you have mentioned about motivation (question 20, and 21)? How did your manager know?

23. From day one of your work until now, do your motivation have changed?

24. In your opinion, do you agree that performance is a combination of motivation and ability? Why?

25. In your opinion, do you agree that increasing in motivation level while level of ability remains the same can increase higher level of work performance? Why?

26. In your opinion, how strongly do you agree with this statement: effectiveness of manager's communication skills in goal setting and performance appraisal can drive subordinates' motivation level? Please share your reasons.

## **3.5 Sampling group**

Qualitative research involves nonprobability sampling. For this research topic, the author has decided to use purposive sampling. The sampling group is selected based on their roles, departments, and years of work experiences.

The author has selected sampling group who work for one of the well-known auditing firm, shared service function. There are two main benefits for this selection. Firstly, the author works for this function and has good personal relationships with them. It can help respondents more relaxed, and more opened to the interviewer. Secondly, the responding speed of interview appointment is quicker and easier to follow up under timing pressure of this research topic.

In shared service function, there are about 194 employees consisting of 32 employees in manager role, and 162 employees in subordinate role. The respondents will be divided into 2 roles: manager role and subordinate role. There are four main benefits. Firstly, the author can analyze data if there is any different points of view and expectation between manager role, and subordinate role towards this research topic. Secondly, managers and subordinates have different work responsibilities in general. Managers have to manage their subordinates. Thirdly, subordinates who know their motivation best, but the author would like to analyze if their managers know it accurately and how they know. Finally, data collection can show if effective communication skill of managers through goal setting and performance appraisal can drive motivation level of subordinates. In addition, if it can drive motivation level, how it works.

The author has selected 20 respondents and divided sampling group into 4 categories as following:

### **3.5.1 Senior manager (6 respondents)**

They have had work experience in manager role more than five years. Generally, they could share and compare their experience when they were new to manager role, and now when they are senior manager. Moreover, they can give the wider perspective comparing when they have few subordinates and when they experienced in larger numbers of subordinates. Potentially, they can share what they have learned from their mistakes or success.

#### **3.5.2** Junior manager (4 participants)

They have had work experience in manager role from one to five years. The minimum year of work experience in manager role is one year because the interview will go through preparation process of goal setting, and performance appraisal. If they have experience less than a year, they might not have experience in full process. Junior managers are still fresh with manager role. Their response will be useful to compare their views with senior managers whom managerial responsibilities can become their work routine.

#### **3.5.3** Senior staff (5 respondents)

They have had work experience more than seven years, and no subordinates. They have experienced in participating goal setting and performance appraisal many times, and could share which types of them can drive their motivation level. One more important thing is that they might have experienced with more than one manager. Moreover, they have gone through work enlargement, promotion, annual salary adjustment which they could review their motivation in each phase if those factors can drive their motivation level and if it has changed by times.

#### **3.5.4 Junior staff (5 respondents)**

They have had work experience from new graduate to seven years. The aim is get more information of these participants about motivation at young age. Even though senior staff could share the experience as well, but it is not that fresh and they potentially forget some details which might be useful for this research topics. The youngest respondent has 6 months of work experiences who already passed probation, goal setting, and half-year performance appraisal.

# **3.6 Data Collection**

For this research topic, the author conducted face-to-face interview. The interview will be recorded in audio together with write-up because there is lots of information sharing in the short time, and only write-up might be too difficult to collect everything. If respondents feel uncomfortable for audio-recording, the author will use only write-up method instead. However, all of respondents allow the author make audio recording.

#### **3.7 Data Analysis**

The author analyzed data from audio-recording and write-up notes during interview for interpreting and categorizing the information.

# **3.8 Profile Summary of Respondents**

Res	ponde	nts in N	Ianager Role				
						Years of Work	No. of
		No.	<b>Position Title</b>	Age	Gender	Experiences in	Subor-
						Manager role	dinates
	(s	1	E-Audit Manager	32	Male	1 year	4
ior	ager year	2	Network Engineer Manager	39	Male	2 years	2
Junior	Manager (1 to 5 years)	3	Accounting Manager	47	Female	4 years	4
,	I I	4	L & D Manager	37	Male	5 years	5
		5	IT Associate Director	38	Male	7 years	23
ger	ears	6	Chief of Finance	56	Female	10 years	24
lana	n 5 y	7	IT Project Manager	41	Male	10 years	9
Senior Manager	(more than 5 years)	8	IT Partner	44	Female	12 years	50
Seni	lore	9	HR Manager	40	Female	12 years	7
•1	<u>n</u>	10	Finance Associate Director	52	Female	15 years	8
Res	ponde	nts in S	ubordinate Role				
		No.	Position Title	Age	Gender	Years of Work Ex	periences
		1	Secretary	22	Female	6 months	
ff	vearg	2	Junior Marketing Officer	24	Male	2 years	
Junior Staff	- ۲ ک	3	Senior HR Officer	27	Female	5 years	
nior	ths -				1 emaie	5 years	
	iths	4	Senior HR Officer	34	Female	6 years	
Jun	months	4	Senior HR Officer		10.		efore)
Jun	(6months - 7 years)	4	Senior HR Officer Senior IT Officer		10.	6 years	efore)
Jun	(6months		018172	34	Female	6 years (Unemployed b	efore)
Jun		5	Senior IT Officer	34 28	Female	6 years (Unemployed b 6 years	efore)
	ears)	5	Senior IT Officer Purchasing Assistant Manager	34 28 30	Female Male Female	6 years (Unemployed b 6 years 8 years 10 years	efore)
	ears)	5 6 7	Senior IT Officer Purchasing Assistant Manager Marketing Assistant Manager	34 28 30 32	Female Male Female Male	6 years (Unemployed b 6 years 8 years	efore)
	ears)	5 6 7	Senior IT Officer Purchasing Assistant Manager Marketing Assistant Manager Resource Planning Assistant	34 28 30 32	Female Male Female Male	6 years (Unemployed b 6 years 8 years 10 years 12 years	efore)
Senior Staff Jun	ears)	5 6 7 8	Senior IT Officer Purchasing Assistant Manager Marketing Assistant Manager Resource Planning Assistant Manager	34 28 30 32 34	Female Male Female Male Female	6 years (Unemployed b 6 years 8 years 10 years	efore)
		5 6 7 8	Senior IT Officer Purchasing Assistant Manager Marketing Assistant Manager Resource Planning Assistant Manager Risk Management Assistant	34 28 30 32 34	Female Male Female Male Female	6 years (Unemployed b 6 years 8 years 10 years 12 years	efore)

 Table 3.1 Profile Summary of Respondents

# CHAPTER IV RESEARCH FINDINGS

The author has conducted a qualitative research towards hypothesis and conceptual framework: how effective communication skill of managers in goal setting and performance appraisal can drive motivation level of subordinates. The research methodology is structured interview. The sampling group is divided into 2 groups: manager role (10 respondents), and subordinate role (10 respondents). The author has summarized research findings into 12 key points as following:

## 4.1 Awareness of Managers towards Their Responsibilities

All of respondents in manager role were aware of their responsibilities in managing their subordinates including enhancing individual performance and team performance. All of them have experienced in undertaking goal setting and performance appraisal for their subordinates, and they know objective and benefits of doing those activities.

# **4.2 Number of Subordinates Affects the Quality of Performance Management by a Manager**

All of respondents in manager role shared that number of subordinates affects the quality of managing their team and team members' performance. More subordinates take more time to discuss, talk, understand, and improve them including giving guidance and solutions. The fact is that a manager does not hold only one main responsibility in managing team members' performance. They have to work on other work assignments as well such as recruitment strategies, digital transformation plan, annual purchase budget, and monthly management meeting. Even though some of respondents have only one or a few subordinates, they are aware of time spending in each subordinate. They have estimated that if they have more subordinates than the current number, they might face some challenging of their own time management in order to remain positive relationships, deliver quality of goal setting, and performance appraisal.

The main effects are that a manager spends less time listening what their subordinates really need and what their goals are. Moreover, a manager could not observe all detailed behaviours and situations that might be a good point for recognition, or concerned points for further development with action plan. The available solutions of these respondents are:

• Ask their subordinates to set their own goal and how to measure success in advanced. To do this, it will save a manager's time

• Empower lower rank than their rank, but higher than a certain subordinate's rankto observe, summarize, give opinion, and conduct goal setting and performance appraisal. The result will be reported to a manager. If there is any concern, they will have further discussing later. To do this, a manager will have more time spending on higher rank of subordinates.

Even though respondents in manager role have got their own solutions, all of them said that it would be an ideal to be able to communicate with all of subordinates about goal setting and performance appraisal by themselves to ensure the same standard and really understand their subordinates.

No.	Years of Work Experience in Manager Role	No. of Subordinates	Any Effect Now?	If More Subordinates, Would it affect?	Reasons
1	1 year	4	No	Yes	
2	2 years	2	No	Yes	Not enough time
3	4 years	4	No	Yes	to pay close
4	5 years	5	No	Yes	attention to every
5	7 years	23	Yes	Yes	subordinates
6	10 years	24	Yes	Yes	

Table 4.1	Number of Subordinates	Affects the Quality	ty of Performance Manager	ment
by a Man	ager			

 Table 4.1
 Number of Subordinates Affects the Quality of Performance Management

 by a Manager (cont.)

No.	Years of Work Experience in Manager Role	No. of Subordinates	Any Effect Now?	If More Subordinates, Would it affect?	Reasons
7	10 years	9	Yes	Yes	
8	12 years	50	Yes	Yes	
9	12 years	7	Yes	Yes	
10	15 years	8	Yes	Yes	

# 4.3 Characteristics Determining Performance

All of respondents agree that performance is a combination of motivation and ability. Actually, this question is very difficult to immediately answer. Therefore, the author's has informed everyone about "Two-Factor Theory of Motivation" by Frederick Herzberg which information is in the chapter 2 (literature review). After the explanation, all respondents came to its conclusion.

Assuming that the level of ability remains the same, they also agree that increasing or decreasing in motivation level will directly affect the level of productive performance.

#### 4.4 How Managers Know Subordinates' Motivation

All respondents agreed with combination of motivation and ability brings the result of performance. Then, the data collection scoped down to how managers know subordinates' motivation by interviewing both managers and subordinates. The most preferable technique of manager is observation.

		How Managers Know Subordinates'				Believe in the	
	No.	Motivation				Information	
		Observation	Ask	Be ]	Informed		Gained
er r	1	✓	$\checkmark$				Yes
ion	2	✓					Yes
Junior Manager	3	✓					Yes
N N	4	✓			$\checkmark$		Yes
	5	✓					Yes
	6	✓					Yes
age	7	✓					Yes
Senior Manager	8	1	~		$\checkmark$		Yes
Z "	9	1	21.21	~			Yes
	10	1	40	11			Yes
	No.	How Manager N	's Knov Iotivat		bordinates	,	Do you think your manager
	INU.	Inform by myself	B Ask		Maybe fr observat		gain accurate information?
	1	é de la companya de l			~		Not Sure
L E	2	√	3 2 2 3				Yes
Junior Staff	3	1	V			0	Yes
J. S	4	√	V				Yes
	5		16 1		✓		Not Sure
	6				~		Yes
T Or	7				~	> /	Yes
Senior Staff	8				~	-//	Yes
S S	9				1	//	Yes
	10						Not Sure

 Table 4.2 How Managers Know Subordinates' Motivation

#### 4.4.1 Data Analysis of Respondents in Manager Role

Knowing each subordinate's motivation very challenging task for managers to find out. All of 10 respondents in manger role said that the level of difficulty depends on personal relationships and personal characteristic of each subordinates. Building good personal relationships between managers and subordinates involves trust, honest, caring, and many other factors which often take times more than a year. However, it still depends on the situations and personal characteristic as well. They shared that asking directly what is their motivation would not get the truth as they might give an answer to please their managers. From data analysis, it shows that managers prefer to observe their subordinates' motivation by themselves, and some managers prefer to observe and ask their subordinates.

For observing, managers observe their subordinates' behaviour at work, conversation, reaction when receiving different types of assignments as example. Sometimes, managers combine both observation and asking to gain the most accurate information.

For asking and be informing, managers shared that it quite depends on each subordinates' characteristics and personal relationships with managers. In the best case scenario, their subordinates clearly understand their needs and come to inform their managers. Two of respondents in manager role are lucky enough to be informed by their subordinates. They said that they have very closed personal relationships both at work and off-work.

Respondents have shared that following-up their current motivation is also important. The hardest part is that motivation can be changed at any times as it involves so many factors such as financial status, family background, family needs, personal needs, and future plan.

#### 4.4.2 Data Analysis of Respondents in Subordinate Role

All of respondents in subordinate role have pointed out one thing that is the same with respondents in manager role. It is about motivation in each period. Motivation can be changed at any times by so many surrounding factors. For example, sometimes it is about money, sometimes it is about new position title, challenging work, work and life balance, or positive feedback and recognition from their managers.

They said that most of their managers did not ask directly what their motivation is, but often ask them to set their goal during goal setting. What have to be concerned here is that managers always guide how to set goal. Managers want individual goal to align with team's goal, department's goal, and organizational goal. It means that asking only their goals in goal setting session has some potential that it would not relate to their actual motivation.

## **4.5 Top-Four Ranks in Motivation**

From 20 respondents, their answers can be grouped into 4 categories. The top-four ranking respectively: recognition, team, salary and bonus, and promotion.

#### 4.5.1 Rank No.1: Recognition

From 10 respondents in subordinate role, four of them said that recognition is the most important factor in motivation to drive their performance.

#### 4.5.2 Rank No.2: Team

Team is this meaning referring to managers and colleagues in the working team. Three respondents in subordinate role said that team is important for them either they do not want to be a burden of team or they are happy working in a team and helping each other, it becomes a motivation to drive their performance.

#### 4.5.3 Rank No.3: Salary and Bonus

Surprisingly, the author thought salary and bonus will fall in rank number one undoubtedly. However, there were only two out of ten respondents in subordinate role giving salary and bonus to be their motivation. However, the author has prepared a question in structured interview about this. The rest of respondents who did not say that salary and bonus is their motivation to improve performance explained that money is not the first priority and not important enough to drive their performance without recognition, good team, or promotion.

#### 4.5.4 Rank No.4: Promotion

This is considered as self-esteem, and self-actualization in Maslow's theory. Even though there is only one respondent giving promotion as a motivation, it still motivates employees and manager should take it into consideration.

No.	Specific for Performance Enhancement						
110.	Motivation to Improve Work Performance	Category					
1	Want to get perfect work to prove that I can do it. I would like	Recognition					
	my manager proud of me.						
2	Team and colleagues are very important for me. Now, I am	Team					
	very happy with my team. So, I want to help my team when						
	they face any work challenge. At the same time, when I have						
	work problem, we brainstorm and help each other. So, good						
	team makes me active to improve my performance.						
3	I would like to get good salary increase and bonus. Here, it	Salary and					
	considers individual performance as well. Therefore, I have to	Bonus					
	performance well.						
4	I do not want to be a burden of team. I want to work well and	Team					
	have no complaints from business units. Every complaint						
	discredits my team. I want my team happy working with me.						
5	I like to see that my project is successful. I like to hear that my	Recognition					
	work can help others. I feel good when I get recognition by						
	my managers or any colleagues.						
6	My colleagues and team including my manager. Good team	Team					
	makes me active to work. When I am happy about what I am						
	doing, my work is more productive.						
7	I want to get high performance rating in order to get higher	Salary and					
	salary and bonus. Parts of salary raise and bonus are from	Bonus					
	individual performance.						
8	Recognition. It makes me want to improve myself more and	Recognition					
	more to retain recognition in every year.						
9	I would like to get a fast track in promotion; therefore, I have	Promotion					
	to improve myself to be a shortlist.						
10	As I am reporting Head of HR, I have to handle my work and	Recognition					
	handle my team performance at the same time. Recognition is						
	very important for me. Honestly, all the complaints are louder						
	than what my team helped other business units. I always need						
	to improve my team performance to get consistent recognition.						

 Table 4.3 Top-Four Ranks in Motivation

#### 4.6 Managers' Perception towards Subordinates' Motivation

Regarding to the research finding mentioned above that managers prefer to observe their subordinates' motivation than directly asking. Moreover, all of ten respondents in manager role believe that their information from observation is accurate. None of respondents in manager role mentioned that they think team is one of motivation. For the fact that the author could not interview all subordinates of each manager, and there are some managers that the author could not get the opportunity to interview their subordinates at all. However, there are some matching and could conclude research findings that observation is not a 100% tool to know subordinates' motivation. In addition, managers' perception towards subordinates' motivation is not really accurate or missed some important factors in motivation.

	Manager's Perception	6	Subordinate's Answer
	Promotion	Subordinate 1	Recognition
Group 1	Salary and Bonus	Subordinate 2	Team
	NAC 1	Subordinate 3	Team
Group 2	Salary and Bonus	Subordinate 1	Recognition
Group 3	Salary and Bonus	Subordinate 1	Recognition

Table 4.4 Unmatched Managers' Perception with Actual Subordinates' Motivation

# 4.7 Possibility of Change in Motivation

All of twenty respondents agreed that motivation can be changed at any time by many factors such as current personal needs, financial and family obligation, education development, family background, and health concerns.

## 4.8 Effective Goal Setting

Goal setting must be completed as the first priority as it is a direction throughout the year or any specific timeframe. There was one subordinate who have experienced with managers who did goal setting and did not do goal setting (3 years) for her (1 years) in the last 4 years. She said that goal setting made her work more efficient and it directly affected her work performance. One more important thing is that the goal setting could be changed within a year or any specific timeframes because of many factors such as responsibility enlargement, urgent resignation of other colleagues, or new business strategies. From the interview, quality of goal setting can be divided into 3 factors:

#### 4.8.1 Specific Goal

All of the managers in sampling group have the same pattern of setting goals for their subordinates that they started with organizational goal first, then scope down to department goal, team goal, and individual goal. They will communicate with their subordinates first because they would like their subordinates' goals aligning with organizational goal, department goal, and team goal. Some parts of goal are fixed and mandatory so this part will be set by manager, but other part of goal can be flexible based on the agreement between manager and subordinates. Therefore, goals and KPI will have to clearly define for both parties first.

#### 4.8.2 Attainable Goal

They all said that they prefer the challenging goal; however, the level of challenge is varying from individual to individual. The main point is challenging and attainable goal will drive and motivate employees to improve their performance. This is very challenging task to manager to find out what is attainable goal for each subordinate.

#### 4.8.3 Employee Involvement

All of them have confirmed that subordinates' involvement in this goal setting process will motivate them to work in the future, and it works as a commitment that they have decided that it is their goal to achieve in each timeframe (often annual timeframe). For subordinates' perspective, they agree that their involvement can motivate them to work and feel more engaged with the commitment they purposed to their managers.

# 4.9 Effective Performance Appraisal

From the interview, not everyone has got quality of performance appraisal from their managers. However, everyone has agreed with the following factors affecting its quality:

#### **4.9.1** Constructive Feedback

The answers are in the same direction of what the author has researched during literature review. There are some main points that everyone has mentioned as following:

4.9.1.1 Specific behaviour and outcome: Refer to the relevant performance, behaviour, or outcomes, not to a person. It is important that communication regarding performance be directed at the performance and not at the person. Open-minded communication is more likely to uncover the real reason for performance problem and thus pave the way for an effective solution.

4.9.1.2 Encouraged wordings used: Avoid loaded terms (for example, crabby, stupid, mess-up), which produce emotional reactions and defensiveness.

4.9.1.3 Reasonable solution and action plan: Concentrate on those things over which an individual can exercise some control, and focus on way that indicate how the employee can use the feedback to improve performance

#### 4.9.2 Frequencies of performance appraisal

The minimum frequencies they could accept is twice a year which is halfyear and year-end performance appraisal. Without half-year performance appraisal managers might not be able to support their subordinates if there are any obstacles or difficulties, and also subordinates would not get a change to improve them before yearend performance appraisal. However, the preferred frequencies in average of both managers and subordinates are monthly to quarterly performance appraisal.

One more concern from subordinates' perspective, they feel frustrated and demotivated if managers kept following up their work without reviewing agreed timeline and giving some attainable timeframe for them to achieve. It means that each monthlyquarterly performance appraisal session does not have to cover the same topics. Managers should be able to highlight and select the appropriate topics to discuss with their subordinates including reviewing previous conversations.

#### 4.9.3 Immediate Feedback

If necessary, subordinates prefer immediate feedback. If managers are waiting to inform some important issues during performance appraisal, it might be too late sometimes.

#### **4.9.4** Communication Channel

Prefer face-to-face communication. Naturally, human is sensitive and caring. Both manager and subordinates would like to see non-verbal communication of each other as well.

#### 4.9.5 Assertive characteristic

Subordinates appreciate managers who are assertive. Assertive managers can communicate the message in direct and appropriate ways without dominating their employees. While meeting their own needs, they do not violate the needs of their employees.

## 4.10 Ignorance of Enhancing Subordinates' Strength

Surprisingly, all of ten respondents in manage role did not make an action plan to strengthen their subordinates' strength. Everyone focuses on developing their subordinates' weakness. In addition, all of ten respondents in subordinate role has not got any action plan for further develop their strengths, they have got action plan for their developmental area (weakness).

# 4.11 How effective communication skill of managers through goal setting and performance appraisal can drive motivation level of subordinates

All of twenty respondents agree that effective communication skill of manager through goal setting and performance appraisal can drive motivation level of subordinates. However, it will drive motivation at different level, more or less will depends on individual to individual.

They all have described very similar information which can be categorized as following:

#### 4.11.1 Clear direction, information and expectation

Effective communication gives clear direction, information, and expectation of what subordinates have to do and achieve either the assignment in long-term or shortterm plans. Simply say that managers want their subordinates to understand them, and subordinates want to understand messages of their managers accurately.

#### 4.11.2 Work efficiency and work effectiveness

Effective communication leads to work efficiency and work effectiveness as there is less-time consuming and loss of energy for unnecessary parts. Work in the wrong direction or expectation is real waste of time and time consuming to re-do the work again, many times it makes employees burn out. Often, they have experienced arguing with managers that the work failed because of managers' ineffective communication, or subordinates' actual work performance. For managers' perspective, an individual fails in doing work efficiency and work effectiveness; it can affect team performance as well. For subordinate's perspective, it burns out their energy and might have negative effect on other assignments as well.

#### 4.11.3 Remain positive relationships and feelings

In reality, nature of human is complicated and sensitive, more or less depends on individual to individual. However, effective communication does not only mean that goal is achieved; it involves the relationship and feelings between managers and subordinates as well. The common communication errors from these respondents fall into what the author has researched during literature review. Most of communication error from their experience is criticizing and ordering. Even though what managers have criticized is based on facts, it hurts their feelings. Even though what managers have ordered them to do and later achieve the goal, it hurts their feelings in long-run. When it hurts subordinate's feelings, it is hard to predict when they will be forgive or recovered, but surely when it exceeds their limitation, it demotivates their work performance and create negative relationships with their managers. They said that sometimes it does not demotivated, but it limits the willingness to perform greater.

For manager's perspective, they have shared similar information that the quality of work and performance absolutely decreases if the relationships with their subordinates is rough.



# CHAPTER V CONCLUSION AND RECOMMENDATION

# 5.1 Conclusion

To conclude, performance is a combination of motivation and ability. Based on the assumption that ability remains the same level, increasing and decreasing in motivation will affect the level of productive performance. Absolutely, there is more than one human resource strategy to drive employee's motivation level. However, if we specifically focus what a manager could do to drive their subordinates' work performance, effective goal setting and performance appraisal are very good tools. It does not matter how organization well-designs the systems, lack of effective communication skills from managers could not maximize its benefits. This is the reason why this research studies about how effectiveness of manager's communication skills in goal setting and performance appraisal can drive motivation level of subordinates.

Even though motivation varies and different from individual to individual and can be changed at any times, it is still a manager's responsibilities to find out the current motivation of their subordinates. The most accurate information about their motivation can be used effectively when a manager helps them setting their goals and advise them during performance appraisal. During goal setting and performance appraisal, a manager should make their subordinates see that their goals are achievable. Once they feel that their goals are achievable, it drives a higher level of motivation. In contrast, a manager knows their subordinates' goals but could not communicate how to achieve those goals, the motivation level of their subordinates decrease. One of the concerned points is that managers prefer to observe their subordinates' motivation by themselves and confident that information gained are accurate. The data analysis shows that it is not always accurate; those information could be a part of their motivation but not important enough to drive their work performance at the maximum level.

Effective communication skills include verbal and non-verbal languages. It is not only how a manager speaks logically and well-organized. It includes how well a

manager listens to their subordinates, how to react and handle their subordinates' characteristic, emotion, behaviours, and thoughts. It is essential and sensitive, particularly, when it is in the context of how to drive motivation level of their subordinates, it needs practice, and preparation. All of the respondents in manager roles said that they have never successfully discussed goal setting and performance appraisal without preparation in advanced.

No matter it is either goal setting or performance appraisal, the manager should communicate with them to get employee involvement with proper guidance. Employee involvement will engage and encourage an employee to commit on action plan to achieve his/her goals or improve themselves.

During performance appraisal, managers generally communicate their subordinates' strength and weakness. For weakness or developmental area, they discuss about the roots cause, solutions, action plan, and timeline. Even though they find it more difficult to communicate this part than communicating positive feedback, they do it. However, none of them discuss about how to strengthen their subordinate's strength to be better and better. Actually, strength could drive a higher level of productive performance as well.

The research has found out that effectiveness of manager's communication skills in goal setting and performance appraisal is not enough, it involves the number of subordinates per a manager as well. The more subordinates, the more it takes to manage one's performance. Some managers might be good at communicating with their subordinates about goal and performance but they could not handle all of their subordinates equally. It is difficult to determine the proper number of subordinates per a manager as it involves job role and responsibilities.

Based on the scope of research study, none of respondents in manager role have got an opportunity to participate in any training courses and workshops about effective communication skills for goal setting and performance appraisal. The most closely topic is basic communication skills to work with others. Deeply, they all are so much interested in those training and coaching. All of them learn from their experience which sometimes they have made mistakes, and many times not sure if it could be more effective. While gaining more experience, an organization might have already lost some potential talents, or opportunity to have higher work productivity from employees. Therefore, training and coaching about effective communication skill through goal setting and performance appraisal is a must for manager role.

## 5.2 Recommendations

From the research conclusion, the author would like to recommend that effective communication skills are so much essential for managers to undertake goal setting and performance appraisal. No matter is effective communication skills are one of the promoting criteria of an organization, the training and coaching should be provided before promoting an employee to be a manager, and during they hold a manager position. Moreover, there should be yearly brush up and sessions that manager can share useful experience and tips with others. To be aware that managers who have effective communication skills do not mean that they are good at dealing with their subordinates' performance. This is the reason why the author has highlighted about effectiveness of manager's communication skills in goal setting and performance appraisal to enhance work performance.

In addition, managers should combine many techniques to know their subordinates' motivation such as observing, asking their subordinates directly or people around them, or arrange a workshop to find out their motivation together. The most accurate information can be used effectively when communicating and undertaking goal setting and performance appraisal. The author would like to give four examples. First, if their subordinates have recognition as the most important factor in motivation; the manager must highlight what they have done well and how their strengths could deliver more productive work. The manager can also encourage them to improve their weakness and discuss about action plan so that they can feel new recognition is soon to get. Second, if team is the most important factor in motivation, manager should advise how to work effectively as a part of team, highlight their strength that can support team very well, and what have to be improved so that their weakness does not damage team's morale. Third, for those who have salary and bonus a number one in motivation, managers can build a tactic that salary and bonus can be partly increased by their own performance, another part could be from team's performance, and organization's performance. Finally, if being promoted is the most important factor in motivation, the manager can set a challenging goal and discuss how to prepare them to be shine and outstanding. They need opportunities to show their performance. Managers can help them a lot through performance appraisal, so they know exactly where they are now, how far to achieve, how to achieve, what are their strength, and what they have to improve by priority.

Moreover, managers should aware that their subordinates' strengths today can be dropped tomorrow if we do not keep develop them. The managers should discuss about action plan to strengthen those skills and competencies so that it can drive a higher level of productive performance and support their motivation level as well.

Finally, the author believes that human strategy to increase work performance is not a responsibility of one person, but it needs participation and care of everyone. Starting with executive level (CEO or top management) should pay attention on employees' needs, expectation, and motivation. A manager should have a team with a proper number of subordinates to drive performance in balance with their other work assignments. In the case that we could not control the number of subordinates for each manager, an assistant to the manager should be trained to achieve goal setting and run performance appraisal at the same level of manager to ensure the standard of effective goal setting and performance appraisal. Managers should be well-equipped to drive their team performance such as effective communication skills in goal setting and performance appraisal. The HR team should design good performance management system including protocol and timeframe which encourages managers to undertake those activates with their subordinates properly. Finally, staff should be acknowledged why productive performance of organization as a whole is important, and why employee involvement in goal setting and performance appraisal could lead to success. All of these supports will drive a higher level of motivation and productive performance.

# 5.3 Limitation

Even though the research has a very clear objective and try to cover the sampling group by roles, and years of work experience, however, there are still some limitations to concern as following:

#### 5.3.1 Matching Manager vs. Subordinate

For the fact that the author could not interview all subordinates of each manager, and there are some managers that the author could not get the opportunity to interview their subordinates at all. It becomes one of important limitation to compare information between a manager and subordinates in the same team in order to crosscheck information.

#### **5.3.2 Variety of Industries**

The sampling group is in one of the well-known auditing firms, the shared service function. Potentially, there might be different answer or perspective of participants in other industries such as graphic design, movie, and marketing agencies. Possibly, those employees in other industries might have different motivation and motivation factors from the sampling group in this research.

#### **5.3.3 Variety of Positions**

As the sampling group is in shared service functions, there are limited positions of participants. Potentially, different positions and work responsibilities might have different performance management style. It would be great if the data collection could cover more positions such as actor, graphic designers, lawyers, and food analyst.

#### 5.3.4 Another Combination in Performance: Ability

This research focuses only motivation. All assumption is based on the same level of ability. Therefore, it can analyze only one aspect of one character determining performance.

# 5.4 Future Research

The author's recommendation for other research in the future will be in four researching areas as following:

#### 5.4.1 Matching Manager vs. Subordinate

It is highly recommended to interview subordinates of each respondent in manger role. The benefit is that a researcher could analyze information more accurately as the researcher can cross check if manager and subordinate have the same experience. It is difficult to analyze if the answer is honest if we interview all respondents who have no relation between each other. This research has already shown that the managers have wrong perception towards their subordinates' work motivation even though the author could match only a few of respondents.

#### **5.4.2 Variety of industries**

Referring to this research's limitation, the author would like to encourage having future research in the same topic, but undertaking the research in other industries as well. The information from data analysis could be compared if there is any different conclusion in different industries. Simply, it can be first assume that one solution might not fit all organizations. The conclusion will be so much beneficial for different types of organization, and it could show that effective communication skills of manager through goal setting and performance appraisal can drive subordinates' motivation level in all industries.

#### **5.4.3 Variety of Positions**

Referring to this research's limitation, the author would like to encourage having future research in the same topic, but undertaking the research in other position as well so that a research can analyze if this research topic can be applied for other positions.

#### 5.4.4 Another Combination in Performance: Ability

The author has found that it would be very interesting if there is a research studying the important weigh between motivation and ability. Usually, organizations have to prioritize activities of their human resources strategy; the research could be a guideline which one between motivation and ability should be focused first in driving higher level of work performance.

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# **Appendix A: Structured Interview Questions for Manager Role**

- 1. Age
- 2. Gender
- 3. How long have you been in the role of manager?
- 4. How many subordinates do you have?
- 5. Besides your technical abilities, do you think effective communication is an essential skill for being a manager? Why? Please share your thoughts and experience.
- 6. Do you think your subordinates fully understand what you have communicated in general?
- For your own experience, does the number of your subordinates affect the quality of managing your subordinates? Please share your experience.
- In your opinion, what are important responsibilities when you have your own subordinates to manage?
   And why are those responsibilities are important?
- 9. Do you think you play an important role motivating employee's work performance?
- 10. Do you think goal setting and employee performance appraisal are important responsibilities for a manager to enhance subordinates' work performance?
- Regarding goal setting, are you and your subordinates involving in setting their goal? How does it work?
- 12. From your own experience, what is an effective goal setting?
- 13. How often do you undertake performance appraisal with your subordinates?Do you think the frequency is appropriate? Why?
- 14. For performance appraisal, do you plan in advance what you are going to communicate with your subordinates? What have you planned? Why?
- 15. Do you undertake employee performance appraisal face-to-face?If yes, please share reasons. If not, what types of communication channel you chose?Please share reasons.
- 16. From your own experience, what is an effective performance appraisal?

- 17. While communicating positive feedback with your subordinates about their strengths or good performance, how do your subordinates respond to you during the meeting? Do they trust on what you have said?
- 18. After you have communicated positive feedback with your subordinates, does their work performance show higher productivity; remain the same or decreased productivity?

And why?

- 19. For positive feedback, do you still discuss about action plan how to make your subordinates' work performance greater or strengthen their skills?Why?
- 20. Are you comfortable in communicating developmental feedback with your subordinates about developmental area of performance? Why?
- 21. While communicating developmental feedback with your subordinates, how do your subordinates respond to you?Do they agree with your feedback?
- 22. Have you and your subordinate gone through solutions and action plans together? Why?

How?

- 23. After you have already communicated developmental area with your subordinates, does their work performance show higher productivity; remain the same or decreased productivity?
  - And why?
- 24. From your own observation, which ones of the following behaviour best describe you, and do you think there is any positive or negative impact when undertaking performance appraisal?
  - Aggressive behavior: may criticize an employee for poor performance, and does not care much what is important to your subordinates.
  - Submissive behaviour: do not express your honest feelings, needs, and concerns. Even though you say your need, non-verbal message has not been communicated such as lack of eye contact, not confident voice to suggest anything.

- Assertive behaviour: can communicate the message in direct and appropriate ways without dominating your employees. While meeting your own needs, you do not violate the needs of your subordinates.
- 25. Do you agree that individual performance is a combination of motivation and ability?

Please share your thoughts.

- 26. For your own subordinates' work motivation, what are your techniques to know exactly about their motivation so that you can use to enhance their performance? Have you ever asked them directly, or you prefer to observe them by yourself? Do you believe in information you gained?
- 27. What do you think what is common motivation of employees?
- 28. Do you think that motivation can be changed time to time?
- 29. In your opinion, do you agree that increasing in motivation level while level of ability remains the same can increase higher level of work performance?
- 30. In your opinion, how strongly do you agree with this statement: effectiveness of manager's communication skills in goal setting and performance appraisal can drive subordinates' motivation level?

Please share your reasons.

# **Appendix B: Structured Interview Questions for Subordinate Role**

- 1. Age
- 2. Gender
- 3. How many years are your work experiences?
- 4. In your opinion, what is essential soft skill to be a manager?
- 5. Do you think effective communication is an essential skill to be a manager? Why?
- 6. In your opinion, what are important responsibilities of managers when they have to manage subordinates' work performance? And why are those responsibilities are important?
- Do you have any involvement in goal setting and performance appraisal?
   If yes, do you think it is better than no involvement? Please share reasons.
- 8. From your own experience, what is an effective goal setting?
- How often is your performance appraisal or performance feedback?
   Do you think frequency is appropriate?
- 10. Has your performance appraisal with your manager always been done face-to-face?If yes, do you think it is appropriate?If there are other commination channels, please specify.
- 11. For positive feedback about your performance, how do you respond to the messages from your manager?Do you trust their feedback? Please share reasons.
- 12. After you have received positive performance feedback from your manager, are you more productive, less productive, or keep the same level of productivity?
- 13. Does your manager discuss about action plan how to make your work performance greater, or strengthen your skills?
- 14. For developmental feedback, how do you respond to the messages from your manager? Do you agree with the feedback?Please share the reasons.
- 15. After you have received developmental feedback from your manager, are you more productive, less productive, or keep the same level of productivity?
- 16. From your own experience, what is an effective performance appraisal?

- 17. From your own experience, which ones of the following behaviour best describe your manager, and do you think there is any positive or negative impact when undertaking performance appraisal?
  - Aggressive behavior: may criticize an employee for poor performance, and does not care much what is important to your subordinates.
  - Submissive behaviour: do not express your honest feelings, needs, and concerns. Even though you say your need, non-verbal message has not been communicated such as lack of eye contact, not confident voice to suggest anything.
  - Assertive behaviour: can communicate the message in direct and appropriate ways without dominating your employees. While meeting your own needs, you do not violate the needs of your subordinates.
- 18. Do you believe in the results of performance appraisal? Why?
- In general, do you fully understand messages your manager communicated to you? For example, a message could be about work instruction, meeting agenda, or employee feedback.
- 20. What is your motivation to come to work every day?
- 21. What is your motivation enhance your work performance in every day?
- 22. Does your manager know what you have mentioned about motivation (question 20, and 21)?

How did your manager know?

- 23. From day one of your work until now, does your motivation have changed?
- 24. In your opinion, do you agree that performance is a combination of motivation and ability?

Why?

- 25. In your opinion, do you agree that increasing in motivation level while level of ability remains the same can increase higher level of work performance? Why?
- 26. In your opinion, how strongly do you agree with this statement: effectiveness of manager's communication skills in goal setting and performance appraisal can drive subordinates' motivation level?
  Discussion share accurate to the statement of the s

Please share your reasons.