The relationship between performance appraisal qualities and employee motivation has been well documented. With the insight of the theories such as equity theory, expectancy theory and goal-setting theory the current study aims to investigate the impact of the performance appraisal qualities on employee motivation at Polytex Garments Ltd, Ja-Ela. The study used an explanatory research design in the form of a survey. The population of the study is 171 managerial employees of Polytex Garments Ltd. However, only 120 respondents were selected by using stratified random sampling from the target population and in each stratum. The quantitative data was analyzed by descriptive statistics using statistical package for social sciences (SPSS). A simple linear regression model was used to determine the coefficients of the impact of the performance appraisal qualities on employee motivation. The findings show that a moderate positive significant correlation exits between performance appraisal qualities and employee motivation. It can be concluded that performance appraisal qualities have a significant impact on the employee motivation at Polytex Garments Ltd, Ja-Ela. The research is focused only a one single organization in the apparel industry due to time limitations. However, in a similar vein, the study can be extended to cover more organizations in same industry, well as in different industries in order for generalization of the findings. Further, the study can be extended for finding other factors affecting to the employee motivation than the qualities of performance appraisal. As recommends, it can be concluded that effective feedback and communication, giving training opportunities for employees to acquire skills and encouraging employees’ participation in performance appraisal processes are all essential for effective performance appraisal process in an organization.

**Keywords:** Performance Appraisal, Employee Motivation, Managerial Level Employee