

A STUDY ON PERFORMANCE APPRAISAL AND JOB SATISFACTION

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ABSTRACT

Performance Appraisal system plays an important role in overall success of an organization. An appropriate appraisal system could increase employee's satisfaction as well as job satisfaction. If the employees are satisfied with their appraisal, then they are also satisfied with their job. The present study has been conducted to find out the employee's satisfaction toward performance appraisal. The methodology is based on questionnaire survey to collect the data. The Results will also reveal that the strengths of PA are one of significant factors contributing to job satisfaction among employee on the practice of performance appraisal system.

Keywords: Performance Appraisal, Job Satisfaction, Motivation

INTRODUCTION

PERFORMANCE APPRAISAL

Performance appraisal used in the organization is a regular review of employee's performance to verify their contribution to the company. It is also known as annual review or performance evaluation. It evaluates the skills, growth, achievement or failure of the employees. The performance appraisal is often used to justify the decisions related to promotions, pay hike, bonuses and termination of employee.

JOB SATISFACTION

Job satisfaction is defined as the extent to which an employee feels self-motivated, content & satisfied with his/her job.

Job satisfaction happens when an employee feels she or he is having job stability, career growth and a comfortable work life balance. This implies that the employee is having satisfaction at job as the work meets the expectations of the individual.

Performance appraisal is a regular review of an employee's job performance and contribution to a company. Companies use performance appraisal to determine which employees have contributed the most to the company's growth, review progress, and reward high-achieving workers. Performance appraisals are usually designed by human resources (HR) departments as a

way for employees to develop in their careers. They provide individuals with feedback on their job performance. It is sure that employees are managing and meeting the goals expected of them, giving them guidance on how to reach them if they fall short.

Because companies have a limited pool of funds from which to award incentives, such as raises and bonuses, performance appraisals help determine how to allocate those funds. They provide a way for companies to determine which employees have contributed the most to the company's growth so companies can reward their top-performing employees accordingly.

Performance appraisal is a regular review of an employee's job performance and contribution to a company. Companies use performance appraisal to determine which employees have contributed the most to the company's growth, review progress, and reward high-achieving workers.

Job satisfaction is considered as the amount or degree of gratification and contentment that an employee fosters towards his/her overall job, factoring into that equation his/her satisfaction with the job itself, the peers at the job, the supervisors, and the policies at work.

Employees' attitude and satisfaction towards an organization performance appraisal system is a significant direction of research regarding its efficiency and approaches for evaluation has concentrated on employees' satisfaction and

perception of the whole process. According tolevyandWilliamemployeeperceptionoffairnessofperformanceappraisalsystemhasshownlinked to satisfaction with the system in their review of performanceappraisal researchindicatedthatthemostimportantperformanceappraisalissuefacedby organizationsisperceivedfairness ofperformancereviewandperformanceappraisalsystem

LITERATURE REVIEW

Aggarwal,A.,&Thakur,G.S.M.(2013).Techniquesofperformanceappraisal-areview. *International Journal of Engineering and Advanced Technology (IJEAT)*, 2(3), 617-621.

The traditional method of performance appraisal or the modern method of performance appraisal are used by the organisations. Organizations utilise a performance appraisal system to assess the efficacy and efficiency of their personnel. Because each individual approaches their task differently, a performance appraisal system is required. Workplace performance, communication objectives, estimating employee potential, and employee counselling are all benefits of performance appraisal. After the research, the authors came to the conclusion that determining whether methodology is better than another is challenging because it relies on the nature and size of the organisation. Each methodology has its advantages and disadvantages.

Gaur,A.V.andRajendra,S.,2021.ALITERATUREREVIEWONPERFORMANCEAPPRAISAL METHODS/TECHNIQUES. *PalArch's Journal of Archaeology of Egypt/Egyptology*, 18(08), pp.4279-4283.

Some companies use performance appraisal to analyse their employees' efficiency and production in order to plan their promotion, wage, and layoff policies, among other things. Initially, only the executive staff carried out this procedure, but it has since grown into an evaluation process based on the opinion of many reviewers, supervisors, collaborators, consumers, and the employees themselves (360-degree method). Reviewers analyse several signs connected to an employee's performance appraisal in such a process. The author of this research proposed an evaluation system in which diverse groups of reviewers participate in the evaluation process. Given that reviewers have varying levels of knowledge about the employee being evaluated, it appears reasonable to provide a flexible framework in which reviewers can express their opinions on multiple finite scales based on their expertise. The ultimate goal is to create a global appraisal for each employee that the management team may use to make decisions about human resources strategy. In this way, the authors suggested a mechanism for aggregating individual valuation in a framework measure in order to achieve a global evaluation for each employee. The underlying optimization problems can be simplified to a fairly simple Extended Goal Programming formulation in this application.

Yee,C.C.,&Chen,Y.Y.(2009).Performanceappraisalsystemusingmultifactorialevaluation model. *World Academy of Science, Engineering and Technology*, 53(2009), 231-235.

Employee performance evaluation is critical in managing an organization's human resource. Maintaining talented knowledge workers is crucial as the economy shifts to information-based capitalism.

However, deciding whether a performance is "excellent," "bad," or "average" is a difficult issue for management. Furthermore, in the absence of a formal appraisal system, superiors may prefer to rate their subordinates' work performance informally and arbitrarily. The authors of this work suggested a performance appraisal system that uses a multifactorial evaluation model to deal with appraisal grades that are frequently expressed in ambiguous linguistic ways. The proposed methodology is for assessing employee performance based on predetermined performance appraisal criteria.

Gardon (1955) in his research on the Job satisfaction of the workers of industrial concern and human needs industries found that if persons individual needs are satisfied then their job satisfaction increases; thereby reflecting a positive relation with the job satisfaction. Routledge, C. W. (1983).

Organisational mobility: an empirical study of organisational career outcomes as indicated by changes in an individual's job and job environment (Doctoral dissertation, Loughborough University).

Hochschild,A.R.(1975).Disengagementtheory:A critiqueandproposal.*American Sociological Review*, 553-569.

In his study he concluded that the age of professionals had no effect on job satisfaction, while job satisfaction increases with the frequencies of experience thereby showing significant relation with the Job satisfaction.

Alvi,M.,Surani,M.,&Hirani,S.(2013).TheEffectofPerformanceEvaluationonEmployee'sJobSatisfactioninPakistan International Airlines Corporation(2013).

Alvi,M.,Surani,M.,&Hirani,S.(2013).TheEffectofPerformanceEvaluationonEmployee'sJobSatisfactioninPakistan International Airlines Corporation(2013).If an employee is satisfied from his job, he will definitely recommend others to

join the same organization in which he is working. The other significant relationship was found between feedback of performance evaluation and promotion. It means that the employee getting feedback perceives that the performance evaluation becomes the basis for promotion. The other significant relationship was found between performance evaluation and job satisfaction.

OBJECTIVES OF STUDY

- The study's main objective was to investigate the impact of performance appraisals on employees' job satisfaction.
- To examine the employee's attitude towards the effectiveness of the appraisal system practiced by the company.
- To analyse the findings and thereby draw some implications in order to make the performance appraisal process for the companies to be more effective and efficient.
- To assess the satisfaction level of the employees and to identify the factors which influence the job satisfaction of employees.

RESEARCH METHODOLOGY

A research methodology encompasses the way in which the researcher intends to carry out the research. This includes how the researcher plan to tackle things like collection methods, statistical analysis, participant observations and many more.

COLLECTION OF DATA

The information is collected from these secondary sources.

Primary research is going to be carried out in a different company in a questionnaire form. Data is going to be collected from 106 employees including both levels of management.

CONVENIENCE SAMPLING

The technique of sampling unit in this study are convenience sampling. The questionnaire is prepared in such a way that comprehensive objectives of the study. Multiple choice of questionnaire is adopted in this research.

ANALYSIS

Simple percentage can also be used to compare the response of the respondents. $\text{Percentage of the respondents} = \frac{\text{Number of respondents}}{\text{total respondents}} \times 100$

We will analyse the data that we will have in the form of questionnaire response from the respondents through the tests that are reasonable to do from your end.

DATA INTERPRETATION & ANALYSIS

		Frequency	Percent
Age of the respondent	Below 20	6	5.7
	21-30	85	80.2
	31-40	12	11.3
	41-50	3	2.8
Gender of the respondent	Male	54	50.9
	Female	52	49.1
Qualification of the respondent	Schooling	1	0.9
	Graduation	67	63.2
	Post-Graduation	26	24.5
	Professional course	12	11.3
Are you doing any job currently or earlier?	Yes	78	73.6
	No	28	26.4

(Sources: Research Output)

Interpretation: From the above table the author examines those maximum responses are from the age group of 21-30 i.e., 80.2%, followed by age group of 31-40 i.e., 11.3%. the least responses are from the age group of 41-50 i.e., 2.8%. From the above table the author examines those maximum responses are from the male i.e., 50.9%, followed by female

i.e.,49.1%.

From the above table the author examines those maximum responses are from the Graduation i.e., 63.2%, followed by Post Graduation i.e., 24.5%. least responses are from the schooling i.e.,0.9%.

From the above table the author examines those maximum responses is yes i.e., 73.6%, followed by No responses i.e.,26.4%.

From how many years they have been working
For how many years you are reworking?

		Frequency	Percent
Valid	0-1Years	39	36.8
	1-2Years	15	14.2
	2-4Years	14	13.2
	More than 4 years	13	12.3
	Total	81	76.4
Missing	System	25	23.6
Total		106	100.0

(Sources: Research Output)

Interpretation: From the above table the author examines those maximum responses have been working 0-1 years i.e.,36.8%, followed by 1-2 years i.e.,14.2%. The least is more than 4 years i.e.,12.3%.

In how many companies they have worked
In how many companies you have worked?

		Frequency	Percent
Valid	1	44	41.5
	2	26	24.5
	3	6	5.7
	4	1	.9
	more than 4	4	3.8
	Total	81	76.4
Missing	System	25	23.6
Total		106	100.0

(Sources: Research Output)

Interpretation: From the above table the author examines those maximum responses have worked in 1 company i.e.,41.5%, followed by 2 company i.e.,24.5%. the least responses have worked for more than 4 company i.e.,0.9%.

Currently they engaged in which type of organisation

Currently, you are engaged in which type of company or organization?

		Frequency	Percent
Valid	Educational	20	18.9
	Financial firm	37	34.9
	Hospitality	6	5.7
	IT sector	18	17.0
	Total	81	76.4
Missing	System	25	23.6
Total		106	100.0

(Sources: Research Output)

Interpretation: From the above table the author examine that maximum responses have been working in financial firm i.e., 34.9%, followed by educational i.e., 18.9%. The least is from hospitality i.e.,5.7%

For how many years they have been engaged in current firm

From how many years you are working in current firm?

		Frequency	Percent
Valid		25	23.6
	1.	49	46.2
	2.	18	17.0
	3.	8	7.5
	4.	2	1.9
	5.	4	3.8
Total		106	100.0

(Sources: Research Output)

Interpretation: From the above table the author examines that maximum responses have been working for 1 year in current firm i.e., 46.2%, followed by for 2 years i.e., 17.0%. The least 4 years i.e., 1.9%.

Respondent rating their satisfaction in their current firm

Rate your satisfaction regarding your job in current firm?

		Frequency	Percent
Valid	1	5	4.7
	2	22	20.8
	3	24	22.6
	4	30	28.3
	Total	81	76.4
Missing	System	25	23.6
Total		106	100.0

(Sources: Research Output)

Interpretation: From the above table the author examines that maximum responses rating their satisfaction 4 in their current job i.e., 28.3%, followed by 3 rating i.e., 22.6%. The least is 1 i.e., 4.7%.

Does the Performance appraisal result in better performance of an individual?

		Frequency	Percent
Valid	Yes	76	71.7
	No	5	4.7
	Total	81	76.4
Missing	System	25	23.6
Total		106	100.0

Does performance appraisal result in better performance of an individual?

(Sources: Research output)

Interpretation: From the above table the author examines that maximum responses is yes i.e., 71.7%, followed by No responses i.e., 4.7%.

Satisfaction factors from most effective to least effective.

Item	Statistics	Mean	Std. Deviation	N
Salary		1.96	0.914	81
Promotion		2.30	0.993	81
Atmosphere of the organisation		2.44	1.072	81

Facilities	2.54	1.037	81
Transfer	2.94	1.065	81
Relationwithsenior	2.68	1.263	81

(Sources:Researchoutput)

Interpretation: From the above table author examine that for the respondents salary is effective, promotion is effective, atmosphere of the organisation is effective as well as neutral, facilities is neutral, transfer is neutral and relation with senior is also neutral.

	Salary	promotion	Atmosphere of the organisation	Facilities	Transfer	Relation with senior
Salary	1	0.301	0.195	0.127	0.28	-0.075
Promotion	0.301	1	0.18	0.254	0.1	0.117
Atmosphere of the organisation	0.195	0.18	1	0.376	0.112	0.485
Facilities	0.127	0.254	0.376	1	0.348	0.516
Transfer	0.28	0.1	0.112	0.348	1	0.19
Relation with senior	-0.075	0.117	0.485	0.516	0.19	1

(Sources:Researchoutput)

Interpretation: From the above table author examine that the relation with senior and salary is negative. Rest all the factors have positive relation between each other.

H0: there is no significant association between effect of performance appraisal and age category.

H1: there is significant association between effect of performance appraisal and age category.

Test Statistics

	salary	promotion	Atmosphere of the organisation	Facilities	Transfer	Relation with senior
Chi-Square	4.158	6.717	3.068	1.954	1.245	7.756
df	3	3	3	3	3	3
Asymp. Sig.	.245	.081	.381	.582	.742	.051

(Sources:Researchoutput)

Here all the values of p are more than 0.05 which means H0 is proved and there is no significant difference within age category and effects of performance appraisal.

CONCLUSION & FINDINGS

It was found in our research that there is no significant difference within age category and effects of performance appraisal.

This project has been conducted so that we get to know about the employee perception regarding the performance appraisal system conducted in their company. This study helps to reveal the level of satisfaction of employee with reference to the various factors in the organization.

This study shows that the employees under organization are more or less satisfied with the job. The organization should consider performance appraisal and job satisfaction on the basis of salary, relationship and supervisors, grievance handling and give more opportunity for the new employees, environment of organisation, communication in organization.

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