IMPACT OF PERFORMANCE APPRAISAL ON EMPLOYEE PERFROMANCE AND JOB SATISFACTION LEVEL

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ABSTRACT

Every manager of an organization should always focus constantly on their employee's performance because when their employee's performance is up to the mark at that time only they can fulfil the organizational requirement, in this regard performance appraisal practices are essential. Today, as we have seen that IT organizations are bagging their employees who are not being performing well in their organization. The main aim of the present study is to measure the satisfaction level of the employees regarding the performance appraisal practices and also to compare the performance appraisal practices and the system. Nowadays various MNC's are trying to come up with different and new and simple performance appraisal system. As the employees are being considered as the backbone of any organisation so they should be evaluated by their performance only. When the human resource of the organisation is not satisfied with the method, then this can create a big chaos or a problem to the

organisation and it becomes the biggest issue in the organisation and will lead to the poor performance of the employees and which in turn will affect the organisation performance and can leads to the downfall of the organization. As the organisation can only be working effectively when the employees are being satisfied with them. So, the methods whichever is being used to measure the performance of the employees, they should be satisfied with the method.

Keywords: Performance Appraisal, Job Satisfaction, IT Sector

INTRODUCTION

Information Technology is always being the centre of any research which is being accomplished by any organisation. IT Sector is such a fast-growing sector than any other sector as it was at its best having all the facilities and providing the best to their employees. IT started to grow day by day when it comes to the progress part, it happens because people gradually shifting themselves from hard copy to soft copy and this is the major fa t in IT Sector. Performance appraisal has come under Development function of HRM. As we all know that HR plays a major role in any organisation or we can in any sector so it should always be keep in mind. Information technology (IT) industries are always dealing with the application of computers, telecommunications equipment to store, retrieve, transmit and move data and computer peripherals. It contains the broadcasting, the computer networking, the systems design services, and the various information distribution technologies like television and telephones. To give promotion, demotion and job enrichment opportunities evaluation of employee performance is essential.

Performance appraisal practices the intention is to always encourage and to motivate the potential talent of the employees. Those who perform well information technology organization keen at them and those who did not perform well IT organization dismiss them from their respective organization because IT organizations are completely intellectual based industry and today due to the advancements in the technology such as like automation many organizations treat their work force in this regard, the present study of comparative performance appraisal practices are more important. Once the employees has been selected, trained, and motivated, he is then being appraised for his performance. Performance appraisal is the step where the management finds out how effective it has been at the hiring and placing the employees. If any problems are identified then the steps are taken to communicate with the employees and to take remedy them. A "performance appraisal is a process of evaluating an employee's performance of a job in terms of its requirement."

OBJECTIVE OF THE STUDY

The main objective of the study is to understand about job satisfaction and the performance appraisal. And also, to gain the knowledge about the impact of performance appraisal on employee performance. Also, to understand the relation of performance appraisal to job satisfaction. Enlisted below are the major objectives, we had tried to achieve through our work.

- ➢ To examine the prevailing performance appraisal practices in IT Organizations and to combatively assess the satisfaction level of employees in both the IT Organizations.
- ➢ To offer better suggestions to improve performance appraisal practices in IT organizations.
- ➢ To study the type of appraisal system functioning in the organization.
- ➢ To help the Management in identifying the areas wherein there is a scope for improvement.
- ➢ To help the HR department to know whether the expectations of employees is getting fulfilled or not. The ultimate objective is to improve the capabilities of employees.

LITERATURE REVIEW

The research paper by **Richa N. Agarwal (corresponding author) and Anil Mehta (2014)** says that Talent retention has become the biggest problem for the business and the organizations especially in the IT Industry. Researchers have also tried to find out whether the performance appraisal and the working environment has the relation with job satisfaction and whether these variables have any role when employees decide to leave an organization in the IT industry. A person with more job satisfaction would be less likely to intend to quit his/her job.

The research paper by **Arshad, Masood & Amin (September 2013)** briefs about Performance is an outcome of employee actions which they perform on the job and which can be measured by comparing the various duties and responsibilities assigned to them by the organization and the results of their efforts to fulfil their duties and responsibilities. The researchers on the other hand, tried to emphasize more on refining the rating procedures and the processes to make them more accurate and beneficial for the organization and the individuals. The effectiveness of the performance appraisal process can only be made possible if the ratings of the appraisal are accurate.

The research paper by **Jitendra Kumar Singh & Dr. Mini Jain (October-December, 2013)**, Journal of Indian Research states that the study of job satisfaction is the topic talks about the wide interest to both the people who work in organizations and people who study about the organization. Job satisfaction has been closely related with many organizational phenomena such as team building, motivation, performance, leadership, attitude, conflict, moral values etc. Researchers have also attempted to identify the various components of job satisfaction, measure the relative importance of

each component of job satisfaction and examine what effects these components have on employees' productivity.

The research paper by **Sentot Imam Wahjono, Anna Marina Shamala Devi A/P Perumal and Andi Wardhana** states Performance appraisal is considered to encourage employees in consequent performance cycle (Heneman & Wemer, 2005). There is an increase use of performance appraisal process (Dechev, 2010) which is mostly motivated by an organizational need to influence employee' attitude, behaviours, as well as organizational performance too. According to Margulies & Murphy (2004) was explained that there are have some purpose for companies to conduct performance appraisals which the researcher points out the pinpointing specific behaviour or job performance that should be discontinued or reinforced, servings as an employee development and coaching tool, providing a realistic assessment for an employee's readiness for promotion and lastly serving as the basis for awarding merit pay for the employees based on their performance.

RESEARCH METHODOLOGY

The type of Research Methodology used in this research paper was Qualitative Research and Quantitative Research. Qualitative Research involves collecting and analysing non-numerical data to understand the concepts, opinions, or experiences. Qualitative methods are often used in the social sciences to collect, compare, and interpret information, has a linguistic-semiotic basis, and is used in techniques such as discourse analysis, interviews, surveys, records, and participant observations. Whereas Quantitative Research shows the statistical data and also to determine the study of the performance appraisal of employees. It evaluates an employee on measurable factors directly related to their job.

RESEARCH DESIGN AND DATA COLLECTION METHOD

Research design is the framework of the research methods and the techniques which is chosen by a researcher to conduct a study. The design allows the researchers to sharpen the research methods suitable for the subject matter and set up their studies for success. The research design used in this research paper is the descriptive research and the exploratory research. The research study is descriptive in nature as it studies the opinions and perceptions of the employees. The sample design used for this research is of 100 employees.

Performance appraisal is the significant task of the superior; IT organizations are completely in the hands of the private individuals, in such highly competitive private sector industries IT employees are not constantly working for an extended period of time, they are switching the organizations for better growth and benefits, to measure whether an employee is valuable to the organization or not if so whether he supposed to receiving extrinsic and intrinsic rewards his performance needs to be evaluated

from every periodical time; in this regard it is needed to find out how the IT organizations measuring the employee's performance.
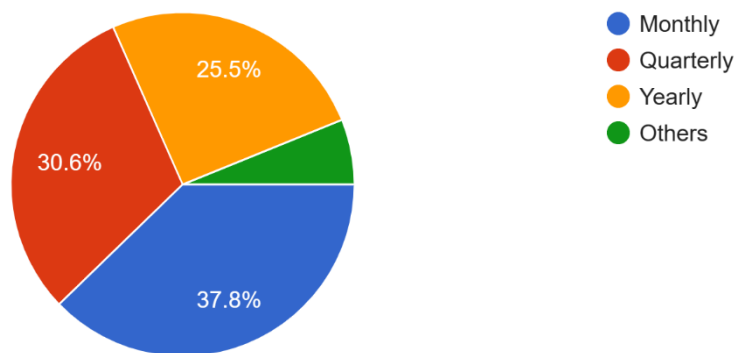
SAMPLING DESIGN AND TECHNIQUE

Sampling is a technique used to collect data. The sample design used for this research is of 100 employees. The research design used in this research paper is descriptive research and exploratory research. The research study is descriptive in nature as it studies the opinions and perceptions of the employees.

DATA COLLECTION METHOD

Data Analysis is the process of uncovering the patterns and the trends in the data. Data Interpretation is the process of process of assigning meaning to the data.

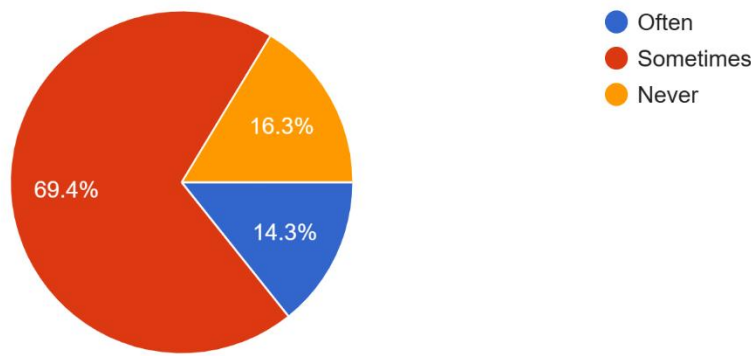4. When Performance Appraisal is made in the organization?
98 responses

Particulars	Number of Respondents
Monthly	37.8%
Quarterly	30.6%
Yearly	25.5%
Others	6.1%

INTERPREATION

From the above chart and figure it shows that out of 100 respondents, 37.8% says that performance appraisal in the organisation happens monthly, 30.6% of them says appraisal held quarterly, 25.5% says that it happens on yearly basis and 6.1% says that it may be others.

5. Is there any conflict arises between the employees after their Performance Appraisal?
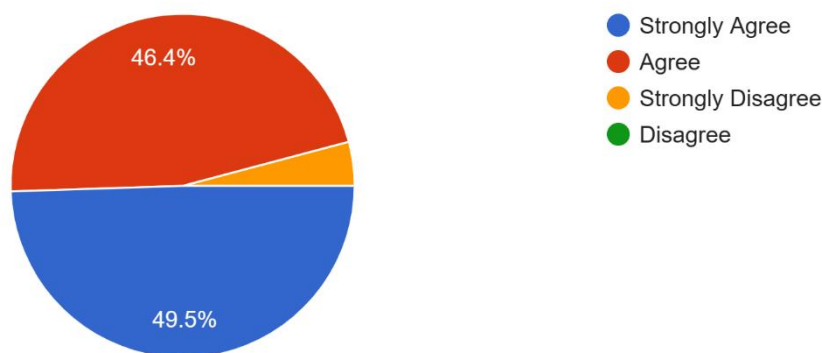
98 responses

Particulars	Number of Respondents
Often	14.3%
Sometimes	69.4%
Never	16.3%

INTERPREATION

From the above chart and figure it shows that out of 100 respondents, 14.3% says that often conflict arises between the employees after performance appraisal, 69.4% says that sometimes it happens and 16.3% says conflict never happens between employees after performance appraisal.

9. The Performance Appraisal is helpful for improving personnel skill?

97 responses

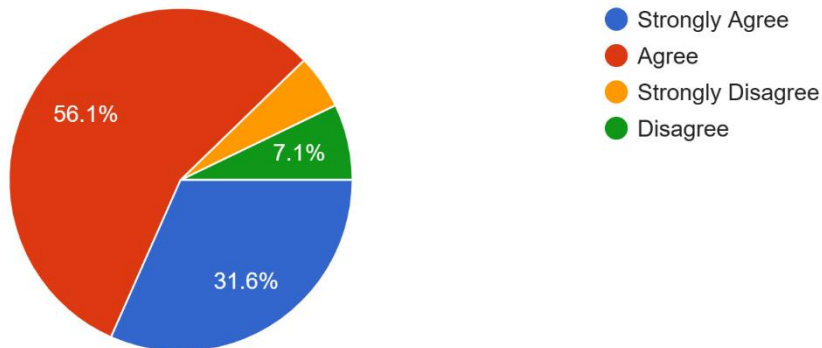| Particulars	Number of Respondents
Strongly agree	49.5%
Agree	46.4%
Strongly Disagree	4.4%
Disagree	0%

INTERPREATION

From the above chart and figure it shows that out of 100 respondents, 49.5% strongly agree that performance appraisal is helpful for improving personnel skill, 46.4% agree that it does helpful in improving personnel skills, 4.4% strongly disagree with this and none of them disagree with this.

10. Is promotion is purely based on Performance Appraisal?
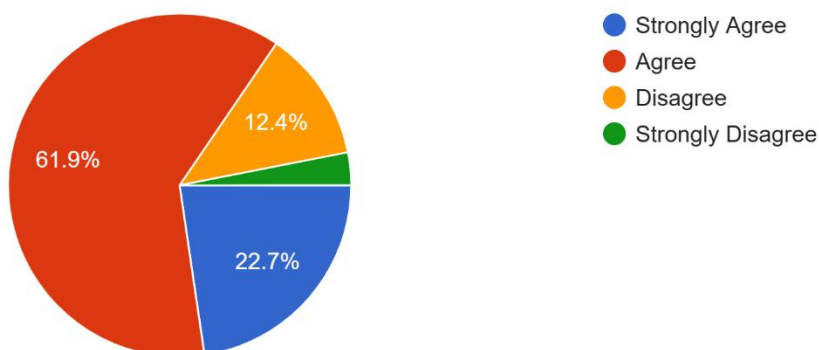98 responses

Particulars	Number of Respondents
Strongly agree	31.6%
Agree	56.1%
Strongly Disagree	5.2%
Disagree	7.1%

INTERPREATION

From the above chart and figure it shows that out of 100 respondents, 31.6% strongly agree that promotion is purely based on performance appraisal, 56.1% agrees in this, 5.2% strongly disagree with this and 7.1% of them disagree with this.

12. Is Performance rating were done periodically?
97 responses

Particulars	Number of Respondents
Strongly agree	22.7%
Agree	61.9%
Strongly Disagree	3.0%
Disagree	12.4%

INTERPRETATION

From the above chart and figure it shows that out of 100 respondents, 22.7% strongly agrees that performance rating was done periodically, 61.9% agree with this, 12.4% disagree with this and 3.0% of them are strongly disagree with this.

FINDINGS

➢ It is found that the age group in the organisation is mostly between 18-25 years are there.

➢ It is found that every employees are in different departments like someone is in HR, Marketing, Finance and Accountant.

➢ It is found that most of the employees are working in the organisation upto 2 years and also some are working since 2-5 years and very few are working since 5 year and above.

➢ It is found that performance appraisal happens in organisation that is monthly, quarterly, yearly and also in others category.

➢ It is found that in organisation sometimes or often the conflict arises between the employees after their performance appraisal.

➢ It is seen that promotion is purely based on performance appraisal.