



“Impact of Performance Appraisal Systems on Employee Satisfaction at Nityo Infotech”

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ABSTRACT:

One of the most important human resource activities that has a direct impact on employee attitudes, actions, and organizational outcomes is performance assessment systems. This study looks into how employee happiness at Nityo Infotech, a multinational provider of IT services and consulting, is affected by performance review processes. The study focuses on how employee motivation, engagement, and retention are impacted by the conception, execution, and perception of assessment procedures. To ascertain their impact on employee satisfaction, important factors such fairness, transparency, evaluation frequency, feedback quality, managerial support, and connection to rewards and career advancement were investigated. The results show that employees are more satisfied, have more faith in management, and are more dedicated to the objectives of the company when they believe that performance reviews are impartial, fair, and development-focused. However, when assessments are inconsistent, opaque, or viewed as prejudiced or just judgmental without offering helpful criticism, discontent results. At Nityo Infotech, chances for skill development, recognition, and career advancement are also directly related to how well assessment processes work.

Key words: Performance, Development, Evaluation frequency.

INTRODUCTION

In today's competitive business environment, organizations constantly strive to enhance efficiency and maximize employee performance. One of the most critical tools in achieving this objective is performance appraisal. It serves as a formal mechanism for evaluating an employee's contributions and identifying areas for improvement. Performance appraisal systems not only help align individual efforts with organizational goals but also motivate employees by recognizing their achievements and providing constructive feedback.

At the core of a successful performance management system lies the ability to boost employee productivity. When executed effectively, performance appraisals can drive employee engagement, promote learning and development, and foster a culture of accountability and growth. However, when mismanaged, they can lead to dissatisfaction, reduced morale, and decreased output.

1. REVIEW OF LITERATURE

1. Ebenezer, W., Duah, L., Fosu, M., & Doku, P. A. (2022).

The study used a descriptive survey, and Cronbach Alpha reliability analysis, exploratory and confirmatory factor analysis, and discriminant validity were assessed using SPSS (version 23) and Amos (version 23). Based on the premise, the study came to the conclusion that employee performance is directly improved by

performance reviews and the work environment.

2. Nvene,N.C.,Yusuf,A.A.,&Shuaibu,H.(2 021).

Three goals and three null hypotheses that there was no significant association served as the study's compass. The study uses a descriptive research approach and a survey. Respondents' information was gathered using a standardized questionnaire. The kind and strength of the association between the dependent and independent variables were evaluated using an ordinary least square regression model.

3. Agyare,R.,Yuhui,G.,Mensah,L.,Aidoo, Z.,&Ansah,I.O.(2016).

A descriptive research design was employed in the study. A stratified random selection technique was employed to choose 200 participants from Ghanaian microfinance institutions. Questionnaires were employed in the study to gather data. Correlations and regression analysis were employed to examine the gathered data. The study found that fairness in the assessment system has a positive relationship with and influence on employees' job happiness, connecting appraisals with performance feedback, position clarity, and promotions.

4. Aydın,A.,&Tiryaki,S.(2018).

Using a structural equation model, the current study examines how performance reviews affect worker motivation and output in the Turkish forest products sector. 432 employees of 14 forest products companies operating all around Turkey were given the questionnaires created specifically for this purpose.

5. Binta,M.,Muhammad,I.,Ahmed,Z.,Ba zza,A.M.,&Magaji,B.(2019).

The study looked at how employee productivity was affected by performance reviews at the Federal Ministry of Education's Abuja headquarters. The study's research design was survey based. 1797 workers at the Federal Ministry of Education Headquarters in Abuja make up the study's-population.

6. Mulidzwi,N.(2023).

The study's hypothesis was that employee performance at the UKZN would be positively impacted by the PA process, whereas the null hypothesis was that employee performance at the UKZN would not be affected at all. The research methodology used in the study was quantitative.

7. Ibrahim,A.U.,&Daniel,C.O.(2019).

The "impact of performance appraisal on employee's productivity" is the primary focus of this study. In order to ensure high productivity of goods and services inside the company, this research was carried out at Nigeria Breweries plc as a case study.

8. Meenakshi,G.(2012).

In multi-source feedback, also known as 360-degree feedback, information about an individual's performance is gathered methodically from several stakeholders and utilized to enhance performance. The above mentioned condition is met by the consistent management philosophy offered by the 360-Degree Feedback technique.

9. Palshikar,G.K.,Pawar,S.,Chourasia,S., &Ramrakhiyani,N.(2017).

An essential HR procedure for tracking and assessing each employee's performance in relation to the organization's goals is performance appraisal (PA). Employees, supervisors, and peers engage in intentional multi-step, multi-modal communication through a PA process, which includes peer feedback, supervisor assessment, and self-evaluation. **10.Aliyu,R.,Yusuf,A.A.,&Shuaibu,H.(20.** The total impact of performance evaluation techniques and performance- based incentives on worker productivity was the aim of this study. Employee productivity is the study's dependent variable, and performance-based awards, employee perception, and performance evaluation techniques are its independent factors. Employees of Lagos, Nigeria- based Micro Finance Banks were the study's primary focus.

2. OBJECTIVES

1. To study the performance appraisal system on employee satisfaction at Nityo Infotech.
2. To identify gaps or challenges in the existing performance management process.
3. To assess the structure and implementation of the performance appraisal system at Nityo Infotech.
4. To evaluate employee perceptions regarding fairness, transparency, and effectiveness of appraisals.

3. LIMITATIONS

1. The study is geographically limited to a few selected branches of Reliance Smart Bazaar, and the results may not be representative of the organization as a whole.
2. Responses are based on personal perspectives and may involve respondent bias or inaccuracies.
3. Due to time constraints, the depth of investigation into specific technological systems was limited.
4. The study does not explore external market dynamics or the influence of government regulations.

4. NEED OF THE STUDY

Technology is now a fundamental enabler of efficiency in the modern retail environment. In response to rising customer expectations and growing competition, retail organizations like Reliance Smart Bazaar are adopting various digital tools—from inventory tracking software to AI-powered customer service platforms. However, simply implementing technology does not guarantee operational success. There is a need to assess whether these technologies are being utilized optimally and whether they are yielding measurable improvements in operational performance.

5. RESEARCH METHODOLOGY

The study adopts a descriptive and analytical research design. Descriptive research will help outline the current status of technology usage, while analytical research will examine the relationship between technology and operational efficiency.

5.1 Is there a clearly defined performance appraisal policy in the organization?

Table No: 1

Scales	No Of Respondents	Percentage
Yes	41	82
No	9	18
Total	50	100

Chart : 1



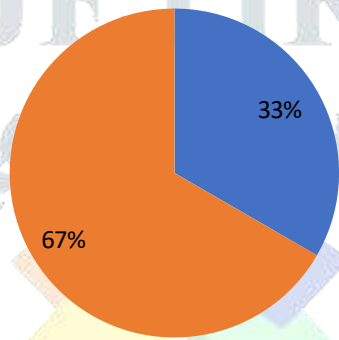
Interpretation: While the organization appears to have a formal appraisal policy in place, it is essential to ensure that all employees are fully informed and understand how the process works. Improving internal communication and conducting awareness sessions can help achieve uniform understanding and promote a fair, performance-driven culture.

5.2 Is your performance appraisal followed by a discussion with your supervisor?

Table No: 2

Scales	No Of Respondents	Percentage
Yes	37	74
No	13	26
Total	50	100

Chart: 2



■ Yes ■ No

Interpretation:

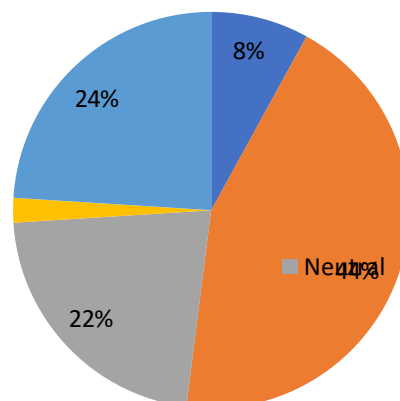
While most employees benefit from post- appraisal discussions, the company should aim for 100% inclusion by making supervisor-employee meetings a mandatory part of the appraisal cycle. This can lead to better communication, clearer expectations, and more meaningful performance improvements.

5.3 I have opportunities to express my views or give feedback during the appraisal process.

Table: 03

Scales	No Of Respondents	Percentage
Agree	4	8
Disagree	22	44
Neutral	11	22
Strongly agree	1	2
Strongly disagree	12	24
Grand Total	50	100

Chart: 03



■ Agree
 ■ Disagree
 ■ Neutral
 ■ Strongly agree
 ■ Strongly disagree

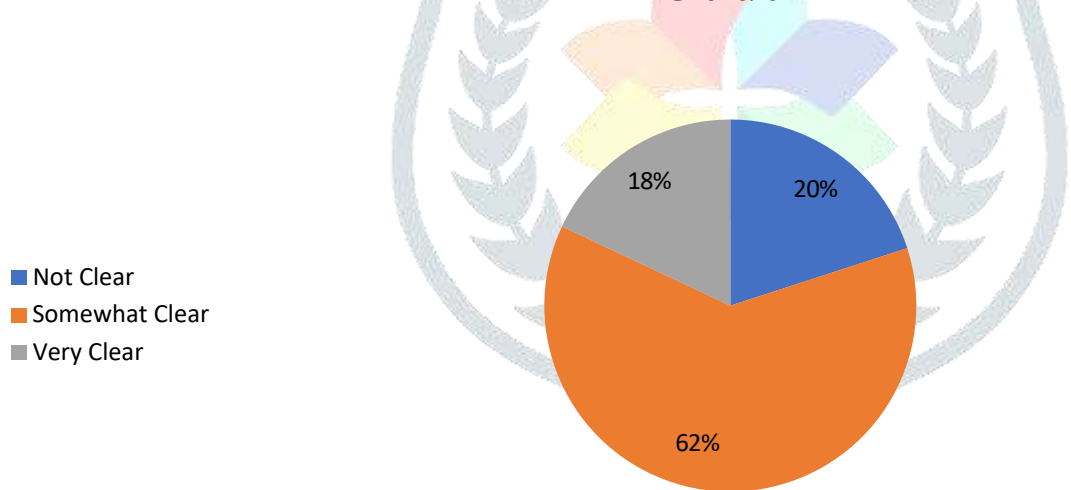
Interpretation: To foster a fair and engaging performance management culture, the organization must introduce structured feedback mechanisms that encourage employees to share their thoughts. Providing a platform for open dialogue can lead to better understanding, improved relationships, and more effective.

5.4 How clear are the performance expectations set for you at the beginning of the appraisal cycle?

Table: 04

Scales	No Of Respondents	Percentage
Not Clear	10	20
Somewhat Clear	31	62
Very Clear	9	18
Grand Total	50	100

Chart: 04



Interpretation: To improve appraisal effectiveness, the organization should ensure that performance expectations are clearly communicated, documented, and reviewed at the start of the cycle. Managers should conduct goal-setting discussions and follow-ups to make expectations specific, measurable, and aligned with individual roles, fostering better clarity and accountability.

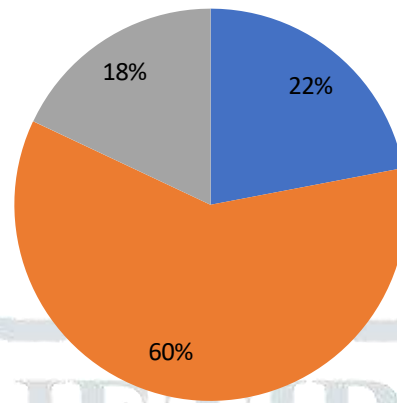
5.5 How frequently do you receive feedback on your performance?

Table: 05

Scale	Respondents	Percentage
Half Yearly	11	22
Quarterly	30	60
Monthly	9	18
Grand Total	50	100

Chart: 05

■ Half Yearly ■ Quarterly ■ Monthly



Interpretation: While quarterly feedback provides a structured rhythm, the organization can benefit from encouraging more frequent, informal check-ins, especially for goal updates, skill development, and course corrections. Adopting a blended approach of formal quarterly reviews and monthly feedback can enhance clarity, motivation, and performance improvement.

6. CONCLUSION:

The study clearly highlights that while Nittyo infotech. has a formal performance appraisal policy in place, there are significant gaps in its execution and employee perception. A majority of employees are aware of the policy and receive regular appraisals, yet many do not find the process fair, transparent, or motivating. There is a notable lack of clarity regarding evaluation criteria and limited opportunities for employees to provide input or receive constructive feedback. Additionally, concerns regarding personal biases, inconsistency across departments, and inadequate communication post-appraisal reflect deeper structural and managerial issues. Employees express a strong desire for clearer performance expectations, more frequent feedback, and greater involvement in setting their own goals. Furthermore, most employees prefer developmental feedback in written form and emphasize the need for fairness and career alignment within the appraisal process.

7. REFERENCE:

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