Influence of Performance Appraisals on Employee Job Satisfaction: A Study in IT Sector.

Archana Verma¹, Jyoti Kumari², Anik Ahmad³

¹,²,³Students,

Department of MBA, Noida Institute of Engineering and Technology, Greater, Noida 201306, India.

Abstract: The present study is an attempt to present opinions of people regarding Performance Appraisals. It aimed at understanding the influence of performance appraisals on employee job satisfaction. A survey of students and employees in the IT sector was conducted. Describing respondent characteristics was very important for this research because it provides deeper understanding of the study. The distribution of the respondent across personal data is presented separately. The personal information included in the study were related to age, gender, marital status. The sample characteristics are discussed in the order they appeared in the questionnaire. This part of the research includes the information acquired from primary and secondary data for the analysis.

Introduction

Supervisory performance appraisals (PA) are one of the most important ways to manage human resources (Murphy & Cleveland, 1995). They are made to keep employees in line and encourage them to manage and improve their performance in the future (DeNisi & Pritchard, 2006; Selvarajan & Cloninger, 2012). The results of the PA process are used to decide on a number of things, such as future promotions, pay raises, and career moves. Performance-related pay (PRP) systems, for example, are a common use of formal PAs to align employees’ goals with those of the company and to encourage and reward people (Milkovich & Newman, 2004). Performance reviews are needed to keep an eye on staff and figure out how much they cost. Evaluations help people improve their work in an organisation. Performance reviews help both the manager and the employee figure out what the employee’s strengths and weaknesses are. (Collings and Woods, 2009) Performance reviews help you look at an employee’s work and figure out how they can improve and grow in the future. Performance reviews encourage employees to be loyal and work well as a team. They also have a positive effect on other HR functions and help motivate employees. Performance appraisal is one of the most important tools and methods for managing human resources (Murphy and Cleveland, 1995). They have a plan for managing, evaluating, and motivating employees to improve future growth and performance (DeNisi and Pritchard, 2006; Selvarajan and Cloninger, 2012). The results of the performance review process are used to make a number of decisions, such as promotions, pay raises, bonuses, and career advancement. An appraisal usually includes a part about how the person is growing and changing (Boswell and Boudreau, 2002). Performance appraisal can also be used to figure out how well the training worked by keeping track of employee performance and comparing results before and after the training. Performance reviews help employees grow as people because they will try to improve their weaknesses and strengthen their strengths. Employees can also improve their work and gain new skills and experience with the help of performance reviews. The goal of this study is to find out how a supervisor’s faux pas affects an employee’s overall happiness at work. Longitudinal data will be used to account for differences between people that can’t be seen. Employee engagement, feedback, goals for personal and career growth, and motivational tools, which are all parts of performance appraisal, have all been shown to be good predictors of job satisfaction (Fletcher and Williams, 1996; Judge, Bono, Thoresen, and Patton, 2001; Nathan, Mohrman, and Milliman, 1991; Patterson, Warr, and West, 2004; Whitman, Van Rooy, and Viswesvaran, 2010). Christopher Kelly’s research from 2008 shows that performance reviews help employees reach their organization’s goals and objectives. Jassin and Jaber (2007) say that performance reviews are important for judging how well employees do their jobs and act so that the organisation can reach its goals. Ibrahim (2007) divides performance evaluations of exams into two groups: evaluations based on behaviour and evaluations based on results. Behavior-based appraisal, which is the best way to evaluate people, focuses on how each person acts. performance, they give managers and employees a chance to talk about the employee’s personal goals, the manager’s
goals for the department or organisation as a whole, and ways that the employee and manager can work together to improve skills and strengths that are needed to reach these goals. Performance reviews are also important for building a career and preparing for the next generation. The purpose of a performance review is to motivate employees, improve their positions and behaviour, meet management goals, and encourage a good relationship between management and employees. Performance reviews give a formal, written evaluation of how someone does their job. Every company does performance reviews on a regular basis to find and evaluate the strengths and weaknesses of individuals or groups of individuals at work. It is a way to judge how employees act at work, and it often uses both the Morden Method and the Traditional Method. The performance appraisal part of the performance management process looks at how much an employee has helped the company over time. Performance assessment is one of the tools that can be used to manage performance well because it gives information that can be used in other parts of the performance management process. Performance reviews and promotions of employees go hand in hand. One of the results of the performance review can be used to decide if a person should be promoted or not. Performance evaluation is the process of judging how well employees do their jobs and how well each person does in the context of a certain job. Performance reviews give information and have a direct effect on a number of things, such as bonuses, pay, advancement, and the decision to leave the company. A performance assessment system is a good way to improve the quality of the work done by an organization's employees. It is seen as an important part of human resource management and an important part of the process of administrative control. HRM is all about people, and performance evaluation is an important part of HRM. The goals of performance evaluation are workforce development, including improvements, pay, and growth, as well as giving staff feedback on their performance and figuring out what they need to learn. The people who work for a business or institution are one of its most important and valuable assets. (Jansirani, Hattrikrishnan, Jaya kani and Saisathya, 2013). People with energy can build organisations with energy. Effective employees can help the organisation do its job well. HRM aims to improve employee skills, increase employee motivation, and improve the organisation as a whole. Employees need a variety of skills, knowledge, attitudes, and abilities in technical, managerial, behavioural and human relations, and conceptual areas to do the different tasks or activities that their jobs require. HRD is based on understanding and improving how a worker's performance is evaluated. People thought that evaluation was important when making decisions about promotions, transfers, and wages. Performance reviews look at both the qualitative and quantitative aspects of how well someone does their job. In the absence of a well-structured appraisal system, people will naturally, informally, and randomly rate the job performance of others, even subordinates. People's tendency to judge can cause big problems in the workplace in terms of motivation, ethics, and the law. Without a systematic evaluation system, there is no way to know for sure that the decisions made are right, fair, defendable, and accurate. Performance evaluation systems began as simple ways to justify pay. That is, appraisal was used to figure out if an employee's salary or wage was fair or not. There was no way to separate the process from the results. If an employee's performance wasn't as good as it could be, their pay would go down. If, on the other hand, they did a better job than the supervisor expected, they were due a raise. Evaluation's potential for growth wasn't thought about much, if at all. People used to think that a salary cut or increase should be the only way to get an employee to work harder or stay at the same level of performance. This basic approach sometimes gets the results that are wanted, but it fails a lot more often. Motivational researchers, for example, noticed that people with nearly the same work skills could be paid the same amount but have very different levels of motivation and performance. Experiments have shown that these findings are true. Yes, pay rates were important, but they weren't the only thing that affected how well employees did their jobs. Other things, like morale and self-esteem, were also found to have a big impact. The goal of the IIMM (International Infrastructure Management Manual, 2009) performance evaluation is to evaluate and explain.

**Job Satisfaction**

Job satisfaction is how a worker feels and thinks about his or her work and how well he or she feels in an organisation (Kim, 2005). Schweiker (2001) says that employment satisfaction is how a person feels about his or her job or work experiences. Job satisfaction is how well an employee thinks his job has met his different needs. Wegge et al. (2007) say that job satisfaction helps the organisation find out about things like citizenship and absenteeism at work. Job satisfaction also helps the company figure out how employees act, what they do, and how they feel about the company. Spectar (1997) says that employees' satisfaction is affected by base pay, promotions, supervision, rewards, benefits, operating procedures, co-workers, the nature of the work, and communication. Griffin (1996) said that job satisfaction is how happy workers are with their jobs. Handoko (2014) agrees with this definition. She said that job satisfaction is how workers feel and act about their jobs, like how happy they are when they see their work. Rabbin (2001) also said that the level of employee satisfaction affects how employees act and
feel about the company. Bryson et al. (2012) looked at the relationship between piece-rate, team-incentive, or profit-sharing schemes and job satisfaction by controlling for salary levels and individual, business unit, and country fixed effects. They found that workers with PRP systems are happier with their jobs.

Brown et al. (2010) used a sample of more than 2,300 Australian non-managerial employees of a large public sector organisation to look at the link between PA quality, as measured by clarity, communication, trust, and fairness of the PA process, and work satisfaction and commitment. Researchers say that employees who say their PA isn't good (because they don't trust their supervisor, can't communicate well, aren't clear about what's expected of them, or think the process isn't fair) also say they are less satisfied with their jobs and less committed. Because their work and behaviour are always being watched, some employees may feel like they can't plan and do their jobs as well as they could. This could make them less happy at work. When evaluations are mostly used for administrative purposes, like salary and promotion, they may be seen as less fair because supervisors have more freedom to use strategic behaviour, which can hurt job satisfaction (Kuvaas, 2006; Smither & London, 2009).

Several studies (Brown et al., 2008; Clark et al., 2010; Card et al., 2012; Ockenfels et al., 2010; Ockenfels et al., 2010a; Ockenfels et al., 2010b; Ockenfels et al., 2010c; Ockenfels et al., 2010d; Ockenfels et al., 2010e) have shown that (forthcoming).

Objective of the study
- To study on influence of performance appraisal on employees job satisfaction

Review of Literature
Most of the time, a performance review involves judging the work based on what subordinates, peers, the boss, other managers, and even the workers themselves think. (Jackson and Schuler, 2003) In general, a performance appraisal review or career development conversation is a way to evaluate an employee's work in terms of quality, cost, quantity, and time.

Rudman (2003:437) There are two effects of a performance review: one is good, and the other is bad. Most of the time, an employee who gets a good review is motivated to do a good job. When an employee gets good feedback from their coworkers, it will help them do a better job at their job. If a boss gives a worker bad feedback on his or her performance review, the worker may feel less motivated at work. Which is getting in the way of their work for an organisation.

Lardy and Robbins (1994) say that both educators and practitioners have been interested in performance appraisal as a way to help people do better at their jobs. Chandrasekar (2011) says that if a company wants to make the most money, it should focus on making a work environment that helps employees become more productive. He also said that human-to-human contracts and relationships are more important than money when it comes to overall job happiness. However, in the modern world, it takes managerial skills, time, and energy to improve an organisation's overall success.

Performance management is the most important part of an organisation because it gives people and teams a way to improve their work for the organisation that is both strategic and integrated (Armstrong 2005).

(Shrivastav and Sapra, 2012) They look at how performance reviews affect what employees want, how they respond, and what rewards they get (Gichuhi, Abaja and Ochieng, 2012). The results of the research showed how performance appraisals affect how employees behave and how well they do their jobs, as well as why the results are important for performance appraisals. They say that feedback after an evaluation helps employees and supervisors get to know each other better and also motivates the employees. They also talked about how performance reviews can help employees reach both the goals and objectives of the company and their own goals.

Employees in Kenya learned in 2012 from Gichuhi, Abaja, and Ochieng that performance appraisals give minimum values. It said that there wasn't much of an incentive for good performance. According to the study, there isn't enough of a difference between employees' pay based on how well they do their jobs. The research looked into why evaluations don't really help employees and suggested that the purpose of evaluations be rethought.

Omboi Bernard Messah and Shadrack Kamency's (2011) study of the effects of the performance appraisal method on employees in Kenya showed that the method has a positive effect on employees in the Kenya Tea Development Agency. Employee training, management by objectives, and pay based on how well employees do their jobs were pointed out as the most important factors that affect employee performance because they got high marks from respondents.
Previous research has shown that pay based on performance is linked to a higher level of overall (work) satisfaction (see, for example, Heywood and Wei, 2006; Green and Heywood, 2008). In a recent paper, Bryson et al. (2012) look at whether people with piece-rate, team-incentive, or profit-sharing schemes are happier with their jobs after adjusting for salary levels, individual, business unit, and national factors.

But formal ways of judging performance may have some drawbacks. Because their work and behaviour are always being watched, some employees may feel like they can’t plan and do their jobs as well as they could. This could make them less happy at work. Also, internal locus of control has been set up to improve work satisfaction, motivation, and commitment (Spector, 1986; Spector et al., 2002; Ng et al., 2006).

When people are officially evaluated (Hultink & Robben, 1995), those who are more creative and open-minded may feel like they are being stifled at work, which may lead to lower ratings of job satisfaction. Krasman says that people who are more open to experience are more likely to look for reflective feedback, which is an indirect form of feedback based on how one is treated by a supervisor, rather than direct and explicit criticism (2010). Also, if performance reviews are progressive, like when they are tied to the cost of training, we would expect more open employees to be happier on the job if they are tied to training costs (Barrick & Mount, 1991).

One thing that affects a worker’s happiness at work is how hard his or her job is. Employees who have jobs with high-complexity tasks are more likely to be happy with their jobs than those who have jobs with low or moderate complexity tasks (Cohen et al., 2007). Job satisfaction is how people feel about their jobs and the different parts of them. It means how happy (satisfaction) or unhappy (dissatisfaction) someone is with their job. Job satisfaction is a measure of attitude that is often looked at. Before, some studies looked at job satisfaction through the lens of need fulfillment. That is, they asked if the job met the employee’s physical and mental needs for the goods offered by labour, like salary (e.g., Porter, 1962; Wolf, 1970).

Research Methodology

Research: We have applied systematic investigative process to increase or revise current knowledge in a new and creative way so as to generate new concepts, methodologies and understanding about our topic.

Research Design

This research was based on various type of information and it includes both primary and secondary data for analysis. Primary data was collected by questionnaires. For the collection of secondary data various research papers are studies. The secondary data was also collected by books, journals, research publications etc. The research design is master plan specifying method procedures for collecting and analyzing needs information. The research in this project is Descriptive Research and descriptive research includes surveys, fact-findings, inquiries of different kinds.

SAMPLE SIZE

The number of sample units selected from the total population is called sample size. Sample size selected for this study is 53 and I am able to collect 53 responses, so now whole analysis is done on the basis of these 53 responses. A purposive sampling method was adopted to select the respondents.

STATISTICAL TOOL USED

Tools used for this research is an online questionnaire from Google form.

Data Collection

This research was based on various type of information and it includes both primary and secondary data for analysis. Primary data was collected by questionnaires. For the collection of secondary data various research papers are studies. The secondary data was also collected by books, journals, research publications, magazines etc.

Data Analysis and Interpretation

Description of Respondent

Describing respondent characteristics was very important for this research because it provides deeper understanding of the study (9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19). The distribution of the respondent across personal data is presented separately. The personal information includes age, gender, marital status. The sample characteristics are discussed in the order they appeared in the questionnaire. The aim of research was to understand the “INFLUENCE OF PERFORMANCE APPRAISALS ON EMPLOYEE JOB SATISFACTION: A STUDY IN IT SECTOR”. This part of the research includes the information acquired from primary and secondary data for the analysis.
Age wise distribution of respondents

Inference:
There were 24.5% respondents of the age group of 18-21-year, 67.9% were of 21-25-years and 2.9% were of 25-28-years, and 4.7% were of above 28 years. Majorly the respondents were of 21-25-years age group.

Gender wise distribution of respondents

Inference- The study was dominated by male employees with 60.4% and females were only 39.6%.

Marital wise distribution of respondents

Inference- The study was dominated by single respondent 94.3%, married respondents were 5.7%.

Distribution based on performance appraisal
Inference - In this 83% people knew about the performance appraisal and 7.9% don’t know about performance appraisal and 9.45 were showing neutral response about the performance appraisal.

1. Distribution based on any increment in your salary after performance appraisal

Inference - In this 57.7% agree with they received any increment in salary after performance appraisal and 42.3% respond no.

2. Distribution based on performance appraisal helps people set achieve meaningful goals.
**Inferences:** In this 90.6% people agree with that performance appraisal helps people set achievable meaning goal but 9.4% not agree.

3. **Distribution based on performance appraisal give constructive criticism in a friendly and positive manner.**

![Fig 6: Analysis by the student](image)

**Inference:** In this 92.3% people respondent yes with that performance appraisal give constructive criticism in a friendly and positive manner and 7.7% people respondent no.

4. **Distribution based on performance appraisal improves motivation and job satisfaction.**

![Fig 7: Analysis by the student](image)

**Inferences:** In this 88.7% people say yes with that performance appraisal improves motivation and job satisfaction but 11.3% say no.

5. **Distribution based on performance appraisal helps to change the behavior of employees.**

![Fig 8: Analysis by the student](image)
Inference: In this 86.8% people say yes with that performance appraisal helps to changes the behavior of employees but 13.2% people respondent no.

6. Distribution based on performance of employees improves after the process of performance appraisal.

![Fig 9: Analysis by the student](image)

Inference: In this 94.3% people respondent yes with that performance of employees improves after the process of performance appraisal.

7. Distribution based on after performance appraisal improvement in your performance.

![Fig 10: Analysis by the student](image)

8. Distribution based on performance of employees improve due to the current performance management.

![Fig 11: Analysis by the student](image)

Inference: In this 83% people respondent yes with that performance of employees improves due to the current performance management.
9. Distribution based on performance appraisal help to provide an atmosphere where all are encouraged to share one another burden.

Inference: In this 77.4% people respondent yes with that performance appraisal helps to provide an atmosphere where all are encouraged to share one another burden but 22.6% respondent no.

Findings
Most of the people who gave their opinions in this survey were employees. Most of the people were between 21 and 25, and the least were between 25 and 28. Some employees agree that their pay went up after their performance review, while others disagree with this statement.
- 24.5 percent of the people who answered were between the ages of 18 and 21, 67.9 percent were between the ages of 21 and 25, 2.9 percent were between the ages of 25 and 28, and 4.7 percent were older than 28. Most of the people who answered were between the ages of 21 and 25.
- 60% of the employees in the study were men, while only 39% of the employees were women.
- 94.3 percent of the people who took part in the study were single, while only 5.7% were married.
- Out of these people, 83 percent knew about performance reviews, 7.9 percent didn't know about performance reviews, and 9.45 percent didn't have an opinion about performance reviews.
- In this survey, 57.7 percent agree that their pay went up after a review of their work, while 42.3 percent disagree.
- In this survey, 90.6% of people agree that performance reviews help people set meaningful goals, but 9.4% disagree.
- In this poll, 92.3 percent of people said that the performance review should include constructive criticism that is given in a friendly and positive way, and 7.7 percent said that it shouldn't.
- In this, 88.7% of people agree that performance reviews make people more motivated and happy at work, but 11.3% disagree.
- In this survey, 86.8 percent of people agree that performance reviews help change the way employees act, while 13.2 percent disagree.
- In this survey, 94.3 percent of those who answered agreed that the performance of employees gets better after a performance review.
- 83 percent of the people who answered this poll agreed that the current performance management makes employees work better.
- In this poll, 77.4% of people said yes to the idea that performance reviews help create an environment where everyone is encouraged to help each other out, but 22.6% said no.

Managerial Implications of the study
The performance review helps the manager keep track of the results (what) and behaviours (how) (how) Include both good and bad things about the employee when you praise them for a job well done. Offer training and development so that people can get better at what they do. Make sure that each employee's work plan fits with the strategic goals of the organisation. It helps the manager keep track of progress toward goals and personal growth, as well as make smart decisions about pay raises and bonuses. With a performance review, managers can find out more about their employees. Managers may use these reviews to find out what each employee's strengths and
weaknesses are so they can make the most of them at work and improve their performance in the future. Performance reviews can also be used to figure out which employees need more training and which ones are ready to take on more responsibilities at work.

Managers can learn from performance reviews how to keep their workers interested and motivated to work harder. Here are some good things about doing a performance review. Create career growth, improve performance, get employees more involved, help figure out training, and give people a chance to talk.

How performance reviews affect how happy employees are with their jobs showed how important performance reviews are to organisations and emphasised how important it is to give feedback to employees because it will help them do their jobs better. They say that feedback after an evaluation helps improve communication between the boss and the employee and also gives the employee a boost of motivation. The role that performance reviews play in helping employees reach their own goals and the goals of the company as a whole. After a performance review, employees don’t get much out of it. It said that there wasn't much of an incentive for performance evaluation. One thing that affects how happy employees are with their jobs is incentives. It was found that employees are happier at work when the following things are true: the evaluation system is fair, there are incentives, the position is clear, and performance feedback is given. Fairness in the evaluation system, rewards in the form of chances to move up, clarity of the position, and performance feedback all have an effect on how happy employees are with their jobs. When the evaluation system is fair, employees are happier with their jobs. This is likely because employees trust the company to be fair in its evaluations. Employees may also think that one good deed leads to another, which makes them happier when their hard work pays off with a promotion.

Societal Implications
Performance appraisal helps workers understand their roles and responsibilities, take responsibility for their work, and know how to do their jobs well. The performance review also helps keep workers healthy and happy, and it shows what kinds of learning and development needs the organisation environment has.

With the performance review, it increases openness and transparency within an organisation and makes it more likely that employees are happy with their jobs. Performance appraisals can help employees feel better about themselves, get them more interested in their work, and keep them at an organisation longer. If a company does a good job of evaluating their employees’ performance, it can help keep people from leaving and also improve their overall performance.

References


