

Exploring The Impact Of Performance Appraisal On Employees Organizational Commitment To Job Satisfaction-SDG3

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Abstract:

The pursuit of maximum performance is one of any organization's primary concerns. By providing a channel for constant communication and feedback, performance appraisal serves as a fulcrum in the relationship between employees and the business. Employee satisfaction with performance appraisal has a tangible and intangible impact on individuals, resulting in a variety of behaviours and behavioural results. Given the importance of employees' attitudes in achieving organisational goals, this study will look into the effects of performance appraisal on employee job satisfaction and commitment. Respondents from various organisations will be sampled using stratified random sampling. Questionnaires formed will be used to gather data and then the data will be analysed using regression analysis and correlations. The proposed research is aligned with the SDG goal 3, Good health and Wellbeing.

Keywords:- Performance Appraisal, Organisational Commitment, Job Satisfaction, Behaviour, VUCA environment

INTRODUCTION:

1. Background of the Study:

Organizations set themselves targets and goals that they aim to achieve. As a result, management sections of businesses are tasked with implementing strategies and skills for efficiently planning, organising, directing, and managing activities in order to fulfil stated goals. Human Resource Management is concerned with how a company's personnel are managed. They are responsible for acquiring and maintaining top talent, as well as training and development, in order to boost employee productivity, efficiency, and happiness, and so contribute to the company's overall success. Targets and goals set by the organisation act as yardsticks for measuring success. HRM practitioners utilise performance appraisals to evaluate their employees' performance because their contributions are crucial to the organization's success. Positive job attitudes, such as job satisfaction and dedication, are, on the other hand, essential for a company's intended staff performance. As a result, negative workplace attitudes jeopardise the attainment of company goals.

Organizations must use performance assessments to guarantee that their employees are aware of their development and improvements, as well as their abilities and potentials. Other aspects of HR and an organization's overall strategy are heavily influenced by performance assessment systems. Performance evaluations' effectiveness is the cornerstone for ensuring success in personnel-related matters such as recruitment, training, and employee motivation. It enables employees to choose their own professional development goals, which leads to personal growth. As a result, there's little doubt that a well-executed performance evaluation is sufficient to balance an organization's needs with its employees' desires.

Recent studies suggest that assessments have a positive impact on organisations, but they also emphasise the importance of making assessment systems understandable to employees and presenting their goals to them.

2. Aim & Objective:

The purpose of this study is to see how the performance appraisal procedure affects employee

performance. Structured questionnaires will be formed and used to gather data. The data will show that independent and dependent variables have positive and substantial connections. Establishing performance standards, communicating established standards, assessing actual performance and comparing it to standards, discussing the appraisal and providing feedback, and signaling corrective action with employee performance are all examples of what this entails.

The major goal of the study was to see how performance appraisals affected employee job satisfaction and commitment to the company. One of the study's specific goals was to look into the link between performance appraisal and job happiness. It also investigated the impact of performance appraisals on work satisfaction among employees. The research looked into the link between performance appraisals and employee commitment to a business, as well as how performance appraisals affect employee commitment.

The study attempted to answer the following research questions considering the above-stated objectives:

1. How do workers, job satisfaction, and performance appraisal relate to each other?
2. How important is performance appraisal in terms of employee job satisfaction?
3. What is the link between performance appraisal and employee commitment to the organisation?
4. How important is performance appraisal in terms of employee commitment to the company?

3. The case study's contributions are as follows:

This research will make a substantial contribution to current knowledge in the field of performance evaluations. The research was the first of its type to look into how performance rating systems affect employee attitudes toward their work. The study will also serve as a source of reference for future relevant research projects by bringing to light elements to consider when developing assessment systems.

LITERATURE REVIEW:

Jha J., Ray P. (2022) The strategic value of knowledge, particularly in dynamic business environments, necessitates a thorough understanding of how information is created. The research used is a mixed methodology and its approach is to better understand the numerous triggers that inspire IT personnel in Indian companies to share their knowledge. To begin, a qualitative study with 13 interviews were conducted to learn about the participant's perceptions and circumstances that spark knowledge sharing behaviour. The major triggers were determined to be fairness in performance appraisals, management support, and professional achievement. The impact of the indicated variables was investigated in quantitative research of 105 IT workers. The findings showed a positive relation between fairness in performance appraisal and knowledge sharing behaviour, as well as the mediation function of career and hierarchy achievement in this relationship.

Nour A. et al (2022) The aim of this study was to investigate job satisfaction among Jordanian nutritionists, as well as factors that affect job satisfaction and the link between job satisfaction and the purpose of living. The online survey turned into finished by using a comfort pattern of 600 dieticians. most people of the members were ladies (83.2 percent), elderly 30 (68.3 percent), and Bachelors in nutrition (77.3 percent). consistent with the findings, 20 percent of dietitians have been unhappy at work, 69.8 percent were neither disappointed nor content material, and 10.2 percent have been glad. Besides the income, delight for the total rating in all studied domains changed into neither discontent nor delight. members with more monthly wages had been 1.54x instances much more likely than those with decrease in monthly salaries to be satisfied with their jobs.

Aggarwal A., Thakur. G.(2013) Performance appraisal systems are used by organisations to assess the efficiency of their employees. As every individual performs his/her task uniquely a overall performance appraisal gadget is needed. worker overall performance, communication expectations, figuring out worker ability, and employee counselling are all stepped forward by using performance appraisal. They provide an outline of some outstanding performance appraisal methodologies in addition to their advantages and downsides.

Waal. A & Sultan, S. (2012) Fostering the performance drive of the workforce is an important aspect in improving an organization's results. A method called the performance management analysis (PMA) was

recently developed to assist organisations in determining their level of performance drive. Boswell W. and Boudreau J., (2002) Evaluative and developmental purposes are mentioned by as two common motives for performance appraisal. Many studies are carried out at the various applications of performance appraisal, with often contradictory consequences and conclusions. The effects of segregating developmental and evaluative PA usage (in time and by person) on employee attitudes and behavioural intentions were investigated using an untreated control group methodology. Employee views were unaffected by the results, although employees in the isolated PA group said they were less inclined to use development in the future.

Suliman, A. & Iles, P. (2000) The well-known study shows a favourable correlations among the worldwide shape of dedication and its three components, and on the other, job performance. moreover, age, education, process reput, and organisational tenure variables all have high-quality and bad institutions with organisational commitment and its various dimensions. Implications for our know-how of the middle East's organisational commitment.

Spector, (1997) asserts that people's attitudes regarding the jobs and many facets of the jobs are influenced by job satisfaction.

Meyer & Allen, (1997) Individuals' commitment to the organisation is termed as psychological connection they the employee have with its company and is characterized via sturdy identification with the company and a choice which contribute towards the success of the company's goals.

Mathieu, J. & Zajac, D. (1990) They argued that gaining an understanding is connected with organisational commitment has an impact on the people, corporates, and society at large. Employees with a higher level of organisational commitment may be better prepared to receive both extrinsic benefits and job satisfaction andalso affiliations with colleagues and rewards associated to associations. Abandonment behaviours, such as tardiness and turnover, are thought to be reduced through organisational commitment.

RESEARCH METHODOLOGY:

No motivational theory is accepted when explaining performance evaluation. An example of such a theory Equity theory and expectancy theory.

Equity Theory

This is a theory that explains the satisfaction of a relationship in terms of the perception of fair or unfair resource allocation in interpersonal relationships. John Stacy Adams, who developed the theory, said that employees contribute to the organization and consider it only in terms of what the contributions of other employees are and what the organization returns to them. This approaches motivational issues as it helps maintain healthy relationships with colleagues and organizations when employees believe they are being treated fairly. Employee contributions are an input, and the rewards an organization gives are results. Therefore, the theory of justice is the relationship between input and result..

If an employee's salary is insufficient, we will try to compensate by increasing or decreasing participation. The theory of justice focuses on ensuring the fairness of the organization's resource allocation and is measured by comparing the ratio of inputs and outcomes from subordinates. Keep in mind that the theory focuses on rewards and awards and can come in the form of bonuses and salary increases. Researchers use hypotheses to show employee performance in terms of compensation, such as promotion, employee performance, and behavior of all employees with employee job satisfaction. Include fairness.

Hypothesis

1. Fairness of the rating system is directly proportional to job satisfaction
2. The relationship between performance evaluation and promotion is directly proportional to job satisfaction.
3. The relationship between performance evaluation and behavioural change is directly proportional to employee job satisfaction.
4. Salary related to evaluation is directly proportional to job satisfaction
5. Employee performance is directly proportional to work satisfaction

Expectancy theory

Expectancy theory includes the desired rewards employees expect when performing a particular tasks. It is related to the willingness to perform the task because the employee believes that performing the task leads to results. It also has to do with whether employees want results. As mentioned earlier, employees tend to measure their likelihood of achieving their desired rewards by performing different tasks, choosing tasks that they find more rewarding. This will allow employees to be positive and then make more efforts to achieve good results for the rewards they desire. Vroom discusses three components of the theory including Expectancy, Instrumentality, and Valence.

Expectations refer to an employee's confidence that sufficient effort is required to achieve their intended performance goals, often based on the employee's past experience. Means is the belief that you will be rewarded in the form of a promotion or salary increase to meet your performance expectations. Value represents the value that an individual places in the rewards provided by the company. – Promotions and different perspectives of people.

5: Performance-linked payments is directly proportional to worker involvement.

6: Promotions associated with performance analysis is directly proportional to worker involvement.

7. Fairness of the analysis system is directly proportional to the involvement of staff

Research Method

The paper used quantitative and qualitative methods. The quantitative approach is more relative that is Used to evaluate evidence. It focuses on collecting and analysing statistics. Counts and measure variables. The qualitative approach focuses on the analysis of non-numeric data. This method is research-based and largely independent of numbers. This is related to the meaning, concepts and properties of variables. The items on the questionnaire were on a scale of 1 to 5, ranging from completely disagreeing, disagreeing, disagreeing, disagreeing, and fully agreeing. The independent variables for job satisfaction of the dependent variable are: We measured survey items using fairness, promotion, role clarity, and feedback. Do you think performance assessments can help improve job satisfaction, support promotion, increase salaries, and improve employee performance? , Level of fairness.

Commitment was used to measure all responses to the questionnaire item: I 'm willing to: put in extra effort to help the organization to be successful, praise my organization as a great organization to work for, accept any work assignment in order to, keep working for this organization tell others proudly that I am a part of this organization

Data Collection

The required information needed was collected through the use of questionnaires. The questionnaires were administered to 94 employees mostly who were mostly working in IT industry. The questionnaires were brief and it made use of an appropriate language to avoid ambiguity and also to attract respondent's interest. The questionnaire consisted of two sections: Section A and Section B.

Sections A was designed to collect demographical information about the respondents and the position of respective respondents like junior staff, senior staff or Management staff.

Section B was also in Parts I and II.

Part I collected data for job satisfaction with formance appraisal factors such as fairness of the appraisal system, salary, promotion and the reflecting performance in promotion. This was to find out the relationship between the variables.

Part II for commitment with employees

All the parameters used in responses are not used for hypothesis in this report, we have only taken out salary, promotion and fairness for both dependent variables organisational commitment and job satisfaction.

Statistical Results and Discussion:

Statistics are used to summarize the features of collected data. Based on the gender, job title, age group and length of time worked by the respondents, the demographic data collected has been analysed and interpreted utilizing frequencies and percentages. Furthermore, correlations and regression analysis are used to test whether the hypotheses were accepted or rejected.

Gender

Gender	Frequency	Percentage(%)
Male(M)	71	78.74
Female(F)	23	24.48
Total(T)	94	100

Age groups

Age(in years)	Frequency	Percentage(%)
20 to 30	56	60.21
31 to 40	32	34.04
41 to 50	6	6.45
Above 50	0	0
Total	94	100 %

Number of years

Position	Frequency	Percentage
Junior	27	28.72
Senior	37	39.37
Management staff	30	31.91
Above 50	0	0
Total	94	100 %

Job Satisfaction

Job Satisfaction = Promotion + fairness + Salary + behaviour + performance

Descriptive Statistic

	N	Max	Mean		Standard Deviation	Var	Skewness	
	Statistic	Statistic	Statistic	Std. Error	Statistic	Statistic	Statistic	Std. Error
Job satisfaction	94	5	1.74	.084	.816	.665	1.234	.249
promotion	94	5	1.90	.083	.804	.647	.937	.249
salary	94	5	2.04	.092	.891	.794	.382	.249
behavior	94	5	2.05	.090	.872	.761	.591	.249
performance	94	5	1.85	.093	.903	.816	1.285	.249
fairness	94	5	2.03	.105	1.021	1.042	1.175	.249
Valid N (listwise)	94							

Correlation

Correlations							
		jobsatisfaction	promotion	salary	behavior	performance	fairness
Pearson Correlation	jobsatisfaction	1.000	.585	.281	.427	.517	.436
	promotion	.585	1.000	.456	.483	.572	.462
	salary	.281	.456	1.000	.468	.435	.400
	behavior	.427	.483	.468	1.000	.665	.360
	performance	.517	.572	.435	.665	1.000	.483
	fairness	.436	.462	.400	.360	.483	1.000

Test of reliability

Cronbach alpha

Cronbach's Alpha	Number of Items
.838	6

KMO

Kaiser Meyer Olkin Measure of Sampling Adequacy.		.806
Bartlett's Test of Sphericity	Approx. Chi-Square	156.107
	Degree of Freedom	10
	Sig.	<.001

Regression coefficients for job satisfaction

Model	Variables used	Variables taken out
1	fairness, behavior, salary, promotion, performance	.
Dependent Variable is job satisfaction		

Coefficients ^a								
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		
	B	Std. Error	Beta			Lower Bound	Upper Bound	
1	(Constant)	.386	.208	1.852	.067	-.028	.800	
	promotion	.405	.108	.399	<.001	.190	.619	
	salary	-.084	.090	-.092	.355	-.263	.095	
	behavior	.089	.106	.095	.832	-.123	.300	
	performance	.168	.110	.186	1.526	-.051	.387	
	fairness	.131	.078	.164	1.676	-.024	.287	
a. Dependent Variable: jobsatisfaction								

Hypothesis Test for Job Satisfaction:

Hypothesis test 1:

“Fairness in the appraisal system is directly proportional to the job satisfaction”

The relationship between job satisfaction and Fairness is positively related with a coefficient of 0.436 at $p < 0.05$. Level of significance 0.05. Regression Coeff of fairness is 0.131. This means that increase in fairness in the appraisal system will result in an increase in work satisfaction for employees. The connection is crucial. As a result, the Hypothesis is accepted.

Hypothesis Test 2: “Linking performance appraisal with promotion is directly proportional to the job satisfaction”

The relationship between job satisfaction and Performance appraisal is positively related with a coefficient of 0.0585 at $p < 0.05$. Level of significance 0.05. Regression Coeff of promotion is 0.405. This means that increase in performance in the appraisal system will result in an increase in work satisfaction for employees. The connection is crucial. As a result, the Hypothesis is accepted.

Hypothesis Test 3: “Linking performance appraisal with Change in Behaviour is directly proportional to the job satisfaction of employees.”

The relationship between job satisfaction and promotion is positively related with a coefficient of 0.427 at $p < 0.05$. Level of significance 0.05. Regression Coeff of change in behaviour is 0.089. This means that job satisfaction is directly proportional to changes in the behavior of employees. The connection is crucial. As a result, the Hypothesis is accepted.

Hypothesis Test 4: “Salary after appraisals is directly proportional to the job satisfaction”

The relationship between job satisfaction and salary is positively related with a coefficient of 0.281 at $p < 0.05$. Level of significance 0.05. Regression Coeff of salary is -0.084. This means that increase in performance in the appraisal system will result in an increase in work satisfaction for employees. The connection is crucial. As a result, the Hypothesis is rejected.

Hypothesis Test 5: “Performance is directly proportional to job satisfaction”

The relationship between job satisfaction and Performance is positively related with a coefficient of 0.517 at $p < 0.05$. Level of significance 0.05. Regression Coeff of performance is 0.168. This means that increase in performance in the appraisal system will result in an increase in work satisfaction for employees. The connection is crucial. As a result, the Hypothesis is accepted.

Organizational Commitment

Organizational Commitment (‘keep working’ for the organisation) = Salary + promotion.

The dependent variable we have taken for hypothesis is “Keep working” which refers to employee is willing to keep working in the organisation.

Descriptive Statistics			
	Mean	Standard Deviation	N
keep_working	1.95	.847	94
salary	2.04	.891	94
promotion	1.90	.804	94
fairness	2.03	1.021	94

Correlations					
		keep_working	salary	promotion	fairness
Pearson Correlation	keep_working	1.000	.487	.419	.437
	salary	.487	1.000	.456	.400
	promotion	.419	.456	1.000	.462
	fairness	.437	.400	.462	1.000

Variables Entered/Removed ^a			
Model	Variables Entered	Variables Removed	Method
1	fairness, salary, promotion ^b	.	Enter
a. Dependent Variable: keep_working			
b. All requested variables entered.			

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.571 ^a	.327	.304	.707

a. Predictors: (Constant), fairness, salary, promotion

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	.603	.219		2.750	.007	.167	1.038
	salary	.303	.095	.319	3.181	.002	.114	.492
	promotion	.175	.109	.166	1.601	.113	-.042	.391
	fairness	.193	.083	.233	2.319	.023	.028	.359

a. Dependent Variable: keep_working

Coefficient Correlations^a

Model			fairness	salary	promotion
1	Correlations	fairness	1.000	-.240	-.343
		salary	-.240	1.000	-.333
		promotion	-.343	-.333	1.000
	Covariances	fairness	.007	-.002	-.003
		salary	-.002	.009	-.003
		promotion	-.003	-.003	.012

a. Dependent Variable: keep_working

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.769
Bartlett's Test of Sphericity	Approx. Chi-Square	84.317
	df	6
	Sig.	<.001

Test of Reality

Cronbach's Alpha	Number of Items
0.757	4

Hypothesis Testing for organizational commitment:

Hypothesis 5: Salary linked to performance appraisal is directly proportional to employee commitment. It shows a positive correlation related with a coefficient of 0.487 at $p < 0.05$. Level of significance 0.05. Regression Coeff of performance is 0.303. This means that increase in salary in the appraisal system will result in an increase in Organizational commitment for employees. The connection is crucial. As a result, the Hypothesis is accepted.

Hypothesis 6: Promotion linked to performance appraisal is directly proportional to employee commitment.

The relationship between Organizational Commitment and promotion is positively related with a coefficient of 0.419 at $p < 0.05$. Level of significance 0.05. Regression Coeff of performance is 0.175. This means that promotion in the appraisal system will increase in organisational commitment for employees. The connection is crucial. As a result, the Hypothesis is accepted.

Hypothesis 7. Fairness in the appraisal system is directly proportional to the employee commitment

The relationship between organizational commitment and fairness in performance appraisal is positively related with a coefficient of 0.437 at $p < 0.05$. Level of significance 0.05. Regression Coeff of performance is 0.193. This means that increase in fairness in the appraisal system will result in an increase in organisational commitment for employees. The connection is crucial. As a result, the Hypothesis is accepted.

CONCLUSION:

we examined the results of overall performance appraisal on personnel' process satisfaction and organizational commitment. information for the study have been collected using questionnaires, and the analysis found out that process pleasure and performance appraisal variables were correlated. additionally, the observe discovered a nice correlation between personnel' commitment and overall performance appraisal variables.

Research also suggests that employers need to rely on reward systems which might be tied to performance ranges, as both salaries and advertising opportunities have an impact on personnel' attitudes approximately their jobs. As a result, businesses will continuously be able to perform their goals since the attitudes of employees will improve, in conjunction with the employer's overall performance.

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