

Impact of performance appraisal system on the employee job satisfaction in the phase of sustainable development

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ABSTRACT

Performance assessment is a crucial component of an organization's evaluation process for assessing the performance of its personnel. Appraisal is an ongoing procedure that occurs once a year as a formal evaluation before the end of the fiscal year. The purpose of performance appraisal is to enhance the employee's motivation inside the organization, hence facilitating the attainment of organizational objectives. People are the primary assets of an organization. Without people, it is challenging to sustain the firm in the market for an extended duration. The research examines the performance appraisal method at IT companies in the tricity, focusing on how management fosters employee motivation and understanding of the working environment. The study aims to meet the partial requirement and gain insight into the satisfaction level of employees as it is connected directly with the sustainable development.

KEYWORDS: Employee performance appraisal, morale of the employee, Solitaire Infosys

1. INTRODUCTION

The performance appraisal is a component of the performance management system, which is implemented by organizations to ensure success and effectiveness. This system employs performance management techniques such as setting established goals and objectives, measuring progress, providing feedback, and offering acknowledgment to inspire individuals to achieve their utmost capabilities. A performance management conversation should be straightforward yet sufficiently detailed to provide employees with a precise understanding of the expectations for their job responsibilities. Productivity encompasses both efficiency and

effectiveness, which are both essential for achieving goals. There are two approaches for evaluating employee performance: Traditional and Modern performance appraisals. Traditional methods encompass several techniques such as the forced choice method, check list method, essay approach, and ranking method. Some of the contemporary approaches to management include MBO (Management by Objectives), 360-degree appraisal, and the BARS (Behaviourally Anchored Rating Scales) system. Performance appraisal is dependent on the presence of human resources. It is a versatile instrument used to promote comprehension and growth of both the employee and the organization. The firm has a diverse workforce with varying levels of expertise and knowledge. To assess the performance of these individuals, performance appraisal is crucial. The purpose of the performance appraisal at Solitaire Infosys is to offer employees feedback on their performance and associated status. It acts as a foundation for influencing the working habits of the employees.

The levels of awareness regarding the Performance Appraisal system are also observed to be strong among employees. Several firms' administrations utilize the 360-degree appraisal method to evaluate the performance of personnel.

2. REVIEW OF RELATED LITERATURE

Performance appraisal has been characterized by many scholars in different ways. (Ismail et al. 2021) defines employee performance as the way an employee conducts themselves within the organization and takes successful actions that contribute to the achievement of the firm's goals. The organization desires diligent effort from its employees to achieve organizational success (Ismail et al., 2021; Adeoye et al., 2023). Performance pertains to the assessment of employees' performance within the organization (Ugoani, 2020; Petcu et al., 2025). Moreover, he states that employee performance is measured to enhance productivity. Furthermore, managers utilize performance appraisal to gain insight into the conduct of people within the firm (Kivipold et al., 2020; Aman-Ullah et al., 2026). Employee performance refers to the evaluation of workers' efficiency and effectiveness in carrying out their tasks within an organization (Anderson, 1991; Ali et al., 2019). Employee performance is a strategic approach aimed at achieving organizational goals and increasing productivity. It involves an emphasis on improving employee performance through performance appraisal. Performance appraisal serves both administrative and motivational functions (Kane & Lawler, 2009; Mwema & Gachunga, 2014). Ismail et al., (2015) argue that performance appraisal effectively enhances employee productivity inside a business. (Dale S. Beach, 2012) defines "Performance Appraisal" as the assessment of an employee's work performance and their growth within the organization. (Dale Yoder, 2011; Attipoe et al., 2021) "Performance appraisal" encompasses all

formal procedures utilized to assess the abilities, contributions, and potential of individuals or groups within an organization. Safeguarding crucial information and making accurate and unbiased decisions on employees is a lengthy process (Costache et al., 2025; Dubey et al., 2025). From the workers' perspective, a performance appraisal is a process that aims to provide them with an understanding of their strengths and weaknesses, as well as to determine their compensation (Frutos-Bencze et al., 2022; Murphy, 2026).

In his study from 2010, H.C. Shiva Prasad suggests that employee appraisal is mostly focused on short-term goals rather than individual attributes. These goals are determined through the collaboration of both workers and managers. Similarly, (Chapman, 2009; Naaz et al., 2026), performance appraisal is not influenced by any sort of prejudice, such as age, gender, caste, colour, or creed. (MacGregor, 2007; Nguyen et al., 2025), Performance appraisal primarily enhances employee efficiency and motivates people to work diligently within the firm. It also serves as a source of motivation for employees to exert maximum effort to enhance productivity, which is a key factor contributing to the success of the organization (Zafar et al., 2025; Yao et al., 2024). The Appraisal system is closely linked to total quality management, which is the core goal of the business (Mohamed Ahmed, 2007; Armstrong and Baron, 2005). The success of an organization is contingent upon the efficient performance of its employees. The study found that 75% of the examined organizations utilized annual performance appraisals, whereas 25% conducted them twice a year, as reported by the CIPD poll in 2005. The author of the publication is Randall S. Schuller, and it was published in 2005. Performance appraisal is a meticulously designed framework for evaluating the performance of employees within a company. It also assesses the employees' conduct regarding their job responsibilities. (Assel, 2004), Performance evaluation is a formal framework used to assess the performance of employees. Furthermore, it plays a crucial role in shaping the individual traits and characteristics of the employees within the firm. (Kotler, 2001) defines performance appraisal as the systematic assessment and documentation of an employee's job performance. Boosting employee morale is an integral component of an organization's management system since it encourages employees to work diligently toward the growth of the organization.

3. OBJECTIVE

- a. To study whether feedback is beneficial for improving employee performance or not.
- b. To understand whether employees are satisfied with the current performance appraisal system.
- c. To study whether the self-appraisal system proves to be effective while appraising.

4. RESEARCH METHODOLOGY

Research Methodology is a systematic approach used to tackle research problems. The process entails a sequence of actions or activities that are essential for doing research and achieving the intended order of these steps. Research is a complex undertaking that encompasses various interconnected tasks. Sampling: The data was collected via a direct contact method and questionnaires. The sample size consists of 180 employees. The primary and secondary data sources are used for collecting data. Primary data sources consist of direct personal inquiry, observation, and direct oral interviews. Secondary data sources, on the other hand, encompass websites and material obtained from manuals, among others. The research design is both exploratory and conclusive. Exploratory research involves investigating the topic at Solitaire Infosys to have a deeper understanding of the issue. The conclusive research is characterized by its formal aspect and can be classified into two types: descriptive and experimental. Therefore, the research design of the study is both exploratory and conclusive. The questionnaire is created using the Google Forms platform and completed by 180 participants.

5. LIMITATIONS

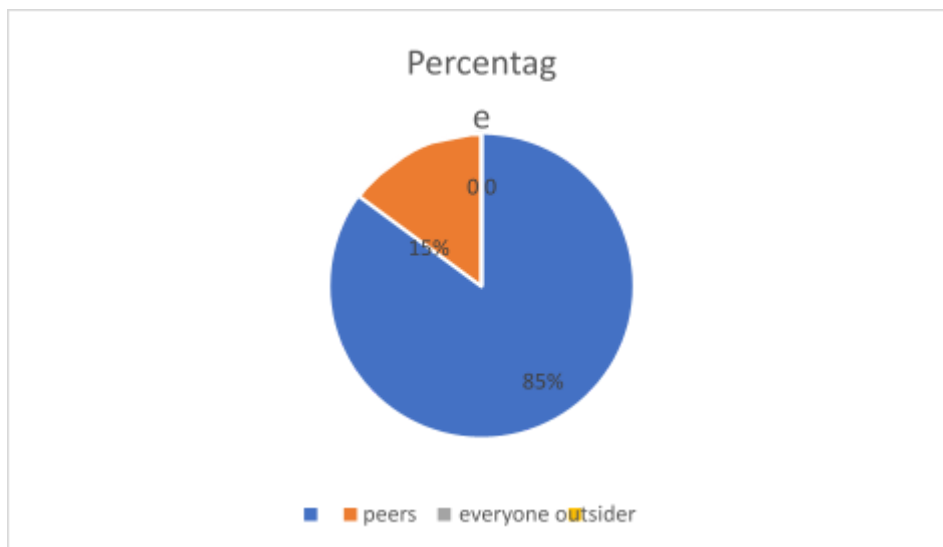
- The employees exhibited prejudice in providing information.
- Some of the material may not be entirely accurate.
- Time limits posed a significant challenge due to limited time.
- Some employees lacked interest in providing information.

6. DATA ANALYSIS AND INTERPRETATION

Performance assessment is a crucial element in businesses for assessing employee performance and encouraging them to strive for the organization's objectives. Data explanation involves implementing a set of systematic and logical approaches to verify data and ensure its accurate interpretation. The significance of data interpretation is evident, and so it must be executed with precision. Data analysis is typically highly intuitive. In other words, how data is interpreted will differ depending on the specific business, and this is likely related to the nature of the data itself.

Objective 1. To analyze who conducts the performance appraisal.

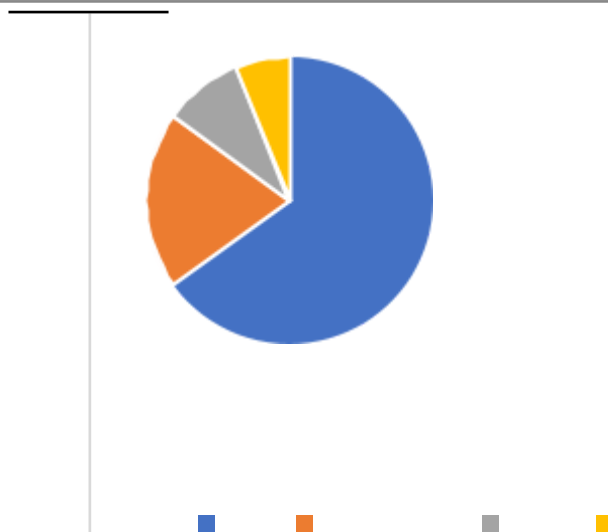
Performance appraisal conduct by	Percentage (%)
Superior	85
Peers	15
Total	100



Interpretation: 85% of the respondents responded the superior conducted the performance appraisal in Solitaire Infosys and 15% of respondents responded the peers conducted the performance appraisal and no appraisal was done by everyone and outsiders of the organization. Therefore, most respondents answered that superiors conduct the appraisal of the employees in the organization.

Objective 2. To study feedback is beneficial for improving employee performance or not.

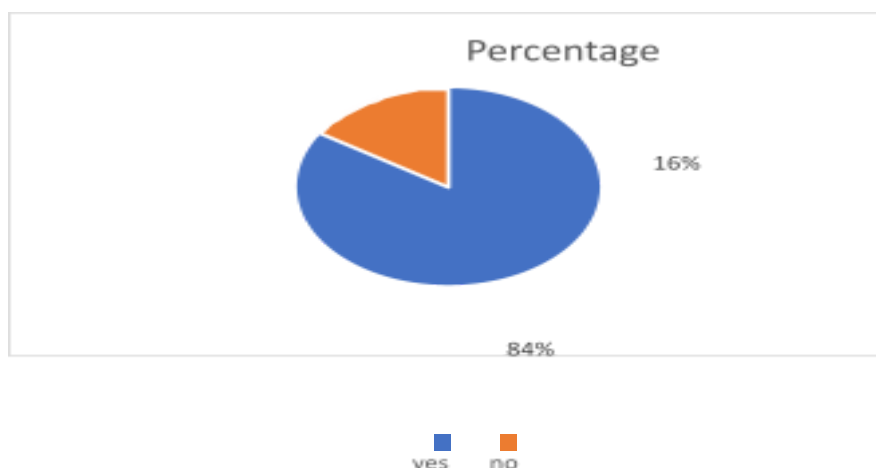
Particulars	Percentage (%)
Agree	65
Partially agree	20
Neutral	9
Disagree	6
Total	100



Interpretation: About 65% of employees agree that feedback is beneficial for improving their performance, 20% partially agree for improving their performance, 9% of employees are neutral for improving their performance and 6% disagree.

Objective 3. To understand whether employees are satisfied with the current performance appraisal system.

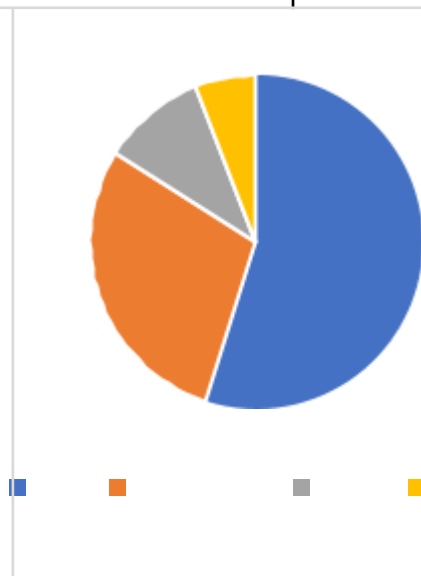
Particulars	Percentage (%)
Yes	84
No	16
Total	100



Interpretation: About 84% of the respondents are satisfied with the current performance appraisal system, and the remaining 16% are not satisfied with the current performance appraisal system.

Objective 4. To study whether the self-appraisal system proves to be effective when appraising.

Particulars	Percentage (%)
Agree	55
Partially agree	29
Neutral	10
Disagree	6
Total	100



Interpretation: About 55% of the respondents agree that self-appraisal system proves to be effective, 29% of the respondents partially agree that self-appraisal system proves to be effective and 10% of the respondents neutral that self-appraisal system proves to be effective and 6% disagree.

7. FINDINGS AND SUGGESTIONS

According to the results, the bulk of performance assessments are carried out by individuals in higher positions (85%), suggesting that a hierarchical approach is most common. Most individuals (65%) feel that feedback is advantageous for improving employee performance. Additionally, a considerable portion (84%) express contentment with the existing appraisal system. Nevertheless, there is potential for improving the efficiency of self-appraisal systems, as indicated by 55% of those who feel that it is effective. This implies a requirement for more explicit instructions and assistance. Taking these observations into account could promote a more thorough and all-encompassing approach to performance management, which has the potential to enhance overall organizational effectiveness and increase employee engagement.

8. CONCLUSION

The study demonstrates that performance appraisal is primarily carried out hierarchically, with the majority of evaluations being conducted by superiors. Feedback is commonly regarded as advantageous for improving employee performance, as evidenced by the employees' high satisfaction with the existing appraisal method. Nevertheless, there are chances to improve self-evaluation procedures to ensure they are in line with organizational objectives and to enhance their efficiency. Enhancing the assessment process through the implementation of more explicit criteria and the inclusion of extra feedback methods could enhance employee engagement and contribute to the overall performance of the organization.

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