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STUDY ON IMPACT OF PERFORMANCE APPRAISAL FEEDBACK ON JOB SATISFACTION AND ITS IMPACT ON ORGANISATION COMMITMENT

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ABSTRACT

The general absence of research on job satisfaction of employees in an organisation dependent on the performance appraisal feedback and does it affect organisation commitment is the essential purpose behind directing this investigation. Surveys were filled by 100 representatives of an organization dependent on the three factors in the examination (performance appraisal feedback, job satisfaction and organisation commitment). Regression analysis results indicated and the results show that the criticism from the boss assumes a significant job in employee's activity fulfilment. Employees anticipate that their administrators should know their occupation and execution and guide them the correct way. This may bring about higher job satisfaction which will prompt organisation responsibility.

1. INTRODUCTION

One of the reasons why formal performance appraisal is conducted is to give clear performance based feedback to the employees working in the organisation. (Maier, 1958) Highlighted the crucial role of appraisal feedback in the appraisal system. Indeed it has been acknowledged by the management. From an organisations point of view, performance appraisal feedback keeps both its members behaviour towards achieving the set goals and maintains and stimulates higher level of effort. If we talk from an individual prospective then feedback gives satisfaction and need to get information about the extend to which personal growth are achieved and also to know the need of social comparison information about ones relative performance. Feedback can also influence future performance of the employee and it also has a significant role in development of job and organisation commitment. It contributes not only to the individual but also to the organisation as it potentially influence the performance of employee and behaviour of interest towards organisation. This all depend on how feedback is given to the employees. Reaction to the feedback has a lot of outcomes.

Job satisfaction with appraisal feedback is one of the most consequent reactions from the employee side. It talks about the measure an employee is

satisfied with the job in the organisation, it talks whether they like to perform the job assigned to them. According to (Locke, 1976) job satisfaction is a positive emotional state which results from the appraisal of once job experience. Giving feedback to an employee allows him to understand whether he is in the right track in achieving the organisation and personal job.

As mentioned above when job satisfaction increases then employee commitment towards tend to increases. Commitment can be defines as bond employee have towards the organisation when he gets the feeling of identification with and dedication to the organisation. Employees are likely to feel satisfied with their job as they believe that the work done by they are evaluated and recognised properly. Because of the significance of feedback given to the employee is in the organisation, job satisfaction with the feedback given should make the employee intention to stay with the organisation and be loyal to it.

This research re-examines the relation between performance appraisal feedback and job satisfaction where performance appraisal feedback has four variables. Each variable has been examined in different studies but not in a single study. Therefore this paper examines all the variables in one paper and also checking on how the development of job satisfaction with performance appraisal feedback contributes towards organisation commitment.

2. STATEMENT OF PROBLEM

The main challenge faced by the managers is how to get maximum performance from their employees. Performance appraisal, therefore, seems to be inevitable. The human inclination to judge without a structured appraisal system can create serious motivational, ethical and legal problems in the workplace. If there is no structured appraisal system, then there can be chance that the judgments made will be lawful, fair, defensible and accurate. It is in the light of this that the present study will intend to investigate the effects of performance appraisal feedback on employees work attitude.

3. REVIEW OF LITERATURE

Performance appraisal was brought in Lord and Taylor (1914). As a result, companies were influenced by Frederick Taylor's "Scientific Management" efforts of the early 20th century. It was believed that giving proper appraisal and feedback brings continuous success in the organization. It is one of the commonly used management tools. Performance appraisals and feedback have far reaching consequences on people. If discrimination is done among employees by the evaluator then these individuals can suffer devastating and potentially debilitating consequences. Given the possibility that adverse judgments can be made about an individual's performance, it is possible that performance appraisals might not be fair. Evaluators might allow their biases, prejudices and stereotypical attitudes to negatively influence the outcome.

Barrie and Sow (2014) claim that there must be standards of Comparison. Employees need to know how well they are performing their job and where they could improve. It is important to keep in mind that appraisals do not

equate to criticism. It might be necessary to make them understand the importance of completing tasks within the give timelines or bringing different technique of performing a task. Unfortunately, many appraisals feedback frustrate the employee by adding tasks to what appears to an overloaded agenda.

Baker McKenzie (2011) scrapped the rating of performance of all business service staff in favour to discuss the performance with the feedback given by the peer. Rather than conducting an annual appraisal, employees will have a discussion on mid-year performance focusing on the feedback across global network which comes from subordinates and peer. The article talk about how managers treat performance appraisal feedback as a platform to show case their achievements and talent. Hear employees are scared to voice out their concerns and questions. This result in poor performance appraisal feedback because they don't know what their managers wanted or expected from them. Even if there is an interaction among employees and leaders, the session will be dominated by the well performer and are qualified to ask.

S C Bagri, M. Kukreti, Babu S (2010) explains about the purpose of performance appraisal feedback first both employees and manager have to understand the main purpose of this activity. The managers should realize what he or she wants and should do it adequately. And allow employees to put forth their questions and suggestions. Second, managers should not only take care of the feedback given to the employees but also the way they interact to them on the daily basis. Thirdly, managers with critical approach should change their attitude and should to be open to others idea. Fourthly, if management follows appeal mechanism then it should be practiced properly. While engaging employees fair and open feedback should be given to all. The management should make sure that employees understand the proper use of appeal rather than using it as a weapon. Therefore the article concludes that, in an organization collection of individuals work for common goals, if they don't work hand in hand the prospective of an organization can go dull. Appraisal feedback is given to let employees know their performance and whether their managers are satisfied with their performance to bring changes in the working style to have more productive work.

Effect of work attitude and job satisfaction was examined by Srivastava (2004) across private and public sector. The result indicates that the work attitude and job satisfaction affects due to welfare activities. When compared both the sectors, public sectors were given more facilities than private sector. It also resulted that if the employees are satisfied then there is a positive result in the work attitude of the employees. From the research conducted by Rani et (20014) it was found that most of the banks use 360 degree appraisal method for appraisal with which employees were happy plus helped them to achieve their organizational goals and motivates them to perform better. Another study conducted by the Jaiswal & Sing (2014) talk about how team empowerment and climate is important in an organization. In an organization individual have unlimited potentials for development and growth which can be multiplied with systematic approach. (Salancik, 1997) Suggest that organisation commitment is the result of a process where people are psychologically obligated to the actions and

implication. Over few years retention of employees have become a major challenge for employer. The root to this challenge can be measured based on the efforts taken by the organisation to develop job security and stability for its human resources (Kinnie, 2000).

Many studies have linked commitment to personal character of an employee, for example length of service (Luthans, 1985), age (Mathieu, 1990), marital status (John, 1999) and have linked negatively to level of education (Glisson, 1988).

4. OBJECTIVES OF THE STUDY

- The main objective of this research is to investigate into the effects of performance appraisal feedback on employees' satisfaction.
- Is Satisfaction with the feedback is correlated to organisational commitment.
- To make recommendations on how to improve on performance appraisal feedback system.

5. HYPOTHESES

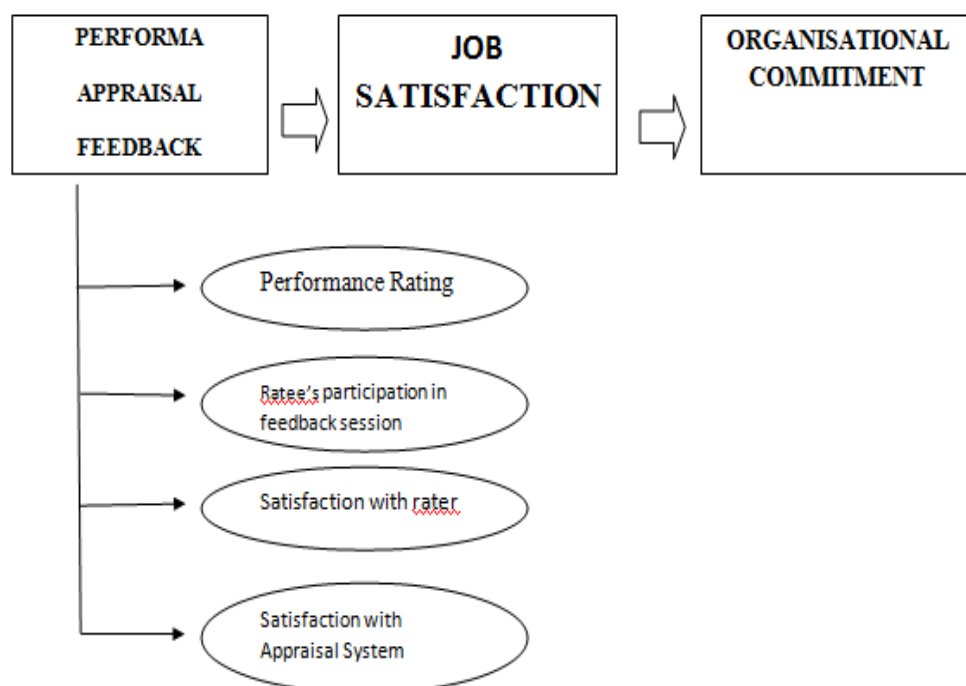
H1 = Performance Appraisal Feedback has a direct, evident effect on the work performance of the employees.

H0 = Performance Appraisal Feedback has no evident effect on the work performance of the employees.

H2 = Satisfaction with appraisal feedback will be positively related to the organisational commitment.

H0 = Satisfaction with appraisal feedback will not be positively related to the organisational commitment.

6. RESEARCH MODEL



- Performance Appraisal System (IV) – It's a Construct with 4 variables.

- Job Satisfaction (DV)- Is a variable
- Organisational Commitment (DV)- Is a variable

7. METHODOLOGY

This study was conducted in a company in Kerala. For this research, primary data is been used to get information. Quantitative method is used where a structured questionnaire was administered to 100 employees of a company. In total there were 20 questions, out of which 8 questions were on Performance appraisal feedback, 6 questions on Job satisfaction and 6 questions on organisation commitment. The responses were measured using Likert scale of 1-5 where 1 was Strongly Disagree and 5 was Strongly Agree.

A particular model is been followed to conduct this research and the data is been analysed by mean, median, regression and correlation with the help of SPSS tool.

8. DATA ANALYSIS AND INTERPRETATION

Tests of Normality

Kolmogorov-Smirnov ^a			Shapiro-Wilk		
Statistic	df	Sig.	Statistic	df	Sig.
.269	100	.000	.835	100	.000
.221	100	.000	.885	100	.000

a. Lilliefors Significance Correction

Table 1 – Normality Test

Test of normality show that the data is not normally distributed as it's below 0.05. It's a non parametric statistic. Therefore the data will be analysed using Spearman Rank correlation, that is by using median and quartile deviation.

Variales	Median	QD	1	2
PAF (1)	28	0		
JS (2)	24	2	0.666**	
OC (3)	24	1.375	0.673**	0.650**

**p<0.01

Table 2 – Correlation between Performance Appraisal Feedback, Job satisfaction, Organisation Commitment

Spearman Rank correlation analysis presented in the Table 2 indicates that Performance Appraisal Feedback is positively related to Job satisfaction p(100)=0.666, p<0.01

Job Satisfaction is positively related to Organisation Commitment p(100)=0.650, p<0.01

CORRELATION

	Total (PAF)	Total (JS)
Spearman's rho	1.000	.666**

Total (JS)	Sig. (2-tailed)	.	.000
	N	100	100
	Correlation Coefficient	.666**	1.000
	Sig. (2-tailed)	.000	.
	N	100	100

** . Correlation is significant at the 0.01 level (2-tailed).

Table 3 – Correlation between Performance Appraisal Feedback and Job Satisfaction

The following table shows the correlation between the two variables. The correlation

Coefficient r measures the strength and direction of a linear relationship between 2

Variables on a scatter plot. The value of r is always between +1 and -1. The correlation

Value is 0.666 that shows there exists a strong linear correlation between the two variables. There thus exists a strong positive relationship between Performance Appraisal Feedback and Job Satisfaction.

Correlations

		Total (JS)	Total (OC)
Spearman's rho	Correlation Coefficient	1.000	.650**
	Total (JS) Sig. (2-tailed)	.	.000
	N	100	100
	Correlation Coefficient	.650**	1.000
	Total (OC) Sig. (2-tailed)	.000	.
	N	100	100

** . Correlation is significant at the 0.01 level (2-tailed).

Table 4 - Correlation between Job Satisfaction and Organisation Commitment

When compared job satisfaction to organisation commitment the correlation is 0.650 which is also a strong linear correlation between the two variables. There thus exists a strong positive relationship between Job Satisfaction and Organisation Commitment.

REGRESSION

H1 = Performance Appraisal Feedback has a direct, evident effect on the work performance of the employees.

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.577 ^a	.333	.327	2.63394

a. Predictors: (Constant), PAF

b. Dependent Variable: JS

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	340.109	1	340.109	49.024	.000 ^b
	Residual	679.891	98	6.938		

Total	1020.000	99			
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a. Dependent Variable: JS

b. Predictors: (Constant), PAF

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	15.854	1.389		11.418	.000
	PAF	.334	.048	.577	7.002	.000

Table 5- Regression analysis predicting Job Satisfaction from Performance Appraisal Feedback.

The following table shows the regression analysis done between the two variables. It

is observed from the above table that the R² value is 0.333, which shows that the predictability of the model is 32.7%. The significance is 0.00; since it is less than 0.05 the predictability percentage is significant. If the independent variable is changed by the factor of 1, the dependent variable will be impacted by a degree of 0.334. As the significance value is 0.00, the regression equation is significant.

Job Satisfaction = 15.854 + 0.334 x Performance Appraisal Feedback

Since the significance value is lesser than 0.05, the null hypothesis is rejected, i.e. Performance Appraisal Feedback has no evident effect on the work performance of the employees.

H2 = Satisfaction with appraisal feedback will be positively related to the organisational commitment.

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.653 ^a	.427	.421	2.78542

a. Predictors: (Constant), JS

b. Dependent Variable: OC

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	566.573	1	566.573	73.026	.000 ^b
	Residual	760.337	98	7.759		
	Total	1326.910	99			

a. Dependent Variable: OC

b. Predictors: (Constant), JS

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.540	2.233		2.481	.015
	JS	.745	.087	.653	8.546	.000

Table 6- Regression analysis predicting organisation commitment from Job Satisfaction

It is observed from the above table that the R2 value is 0.653, which shows that the predictability of the model is 42.1%. The significance is 0.00, since it is less than 0.05 the predictability percentage is significant. If the independent variable is changed by the factor of 1, the dependent variable will be impacted by a degree of 0.754. As the significance value is 0.00, the regression equation is significant.

Organisation Commitment = 5.540 + 0.745 x Job Satisfaction

Since the significance value is lesser than 0.05, the null hypothesis is rejected, i.e. Satisfaction with appraisal feedback will not be positively related to the organisational commitment.

9. FINDINGS & CONCLUSION

Few findings which were found with the help of my research are one rating given by the manager and satisfaction with them, significantly influence employees, to be satisfied with the job performed by them. The manager should have a correct knowledge about the employee's job and their performance and provide appropriate guidance. Results highlight the need for a manager to study their performance thoroughly and provide them feedback in a positive manner. (Kacmar, 1996) Says that positive ratings evoke positive reaction towards the given feedback. Second, employee participation in performance appraisal feedback helps to shape the feedback in positive manner including their satisfaction. The employee takes the feedback positively when they are given a chance to sit with their manager to set goals, talk about development and also when self appraisal is conducted. Third, employee job satisfaction is not only dependent on the characteristics of feedback given but also on the manager who is providing feedback. If an employee has a good relation with his manager then he tends to take the feedback positively because he believes that the manager is helping him to grow by showing right direction. Fourth, there is also an impact of contextual factors in the appraisal system. The system related factors provide an immediate and direct framework. Within which the sessions occur, feedback is given and appraisal information is processed. Results indicate job satisfaction based on performance appraisal feedback is 0.666. And this impact of reaction to job satisfaction from the feedback is extended to the value of job resulting in organizational commitment that is 0.650. It shows all three variables are strongly correlated to each other. In concurrent with the hypothesis tested it shows that there is a significant relationship between performance appraisal feedback and job satisfaction ($F(1,98)=49.024, p<0.00$). and which leads to a significant relationship between Job Satisfaction and Organisation Commitment ($F(1,98)=340.109, p=0.00$).

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