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A Study on Impact of Performance Appraisal System Towards Employees Career Development

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ABSTRACT: This study investigates the impact of performance appraisal systems on employees' career development, focusing on how various appraisal methods affect their professional growth, motivation, and advancement opportunities. Performance appraisals, traditionally used to assess employee performance, also play a critical role in shaping career development by providing feedback, identifying strengths and areas for improvement, and guiding future career progression. Using a mixed-methods approach, the research combines quantitative surveys and qualitative interviews to gather data from employees across different industries. The findings indicate that regular, constructive feedback and clear communication during performance appraisals positively influence employees' career development, job satisfaction, and skill enhancement.

I. INTRODUCTION

A study on the impact of performance appraisal systems on employees' career development examines how performance evaluations influence the growth and progression of employees within an organization. Such studies typically focus on the relationship between performance appraisals (PAs) and various aspects of career development, such as skill enhancement, promotions, training opportunities, job satisfaction, and overall employee motivation. A performance appraisal system is a structured process that business use to evaluate employee performance and support career development. Performance appraisal are also known as performance reviews, employees appraisals, or development discussions.

II. REVIEW OF LITRATURE

Johnson & Lee (2023) examined how intrinsic and extrinsic motivators influence employee participation in career development initiatives. They found that employees are more likely to engage with career development programs when the initiative is aligned with personal interests (intrinsic motivation), rather than simply tied to external rewards like promotions or salary increases.

Jiang & Ang (2023), global talent mobility has impacted career development strategies, especially for multinational companies. With increasing remote work opportunities, organizations are able to hire talent globally, which necessitates the creation of career paths that cater to employees working from different locations with varying expectations. These tools enable employees to gain insights into their career trajectories based on data-driven recommendations.

Meyer & Lopez (2022) found that multinational organizations need to adapt their career development programs to meet the needs of diverse cultural contexts. For instance, while Western cultures emphasize individual career progression, many Asian and African cultures focus more on group success and loyalty to the organization found that multinational organizations need to adapt their career development programs to meet the needs of diverse cultural contexts.

III. OBJECTIVES OF THE STUDY

➢ To find out the opinion of employees to existing performance appraisal system adopted in employees career development.
➢ To assess the potential of the person for further growth and development.
➢ To examine the impact of performance appraisal system towards employees career development.

➢ To evaluate the post performance appraisal activities of the company towards employees career development.
➢ To provide suggestion to enhance the performance appraisal system towards employees career development.

LIMITATIONS OF THE STUDY:

❖ The study might have a limited sample size that does not fully represent the diversity of industries, job roles, or geographic locations.
❖ Employees may provide socially desirable answers during surveys or interviews, particularly when discussing their performance or appraisal feedback.
❖ A cross-sectional study (data collected at one point in time) may not capture the long-term effects of performance appraisals on career development.
❖ Different organizations may have different performance appraisal systems in place (e.g., 360-degree feedback vs. traditional top-down reviews), which could impact the generalizability of the findings.
❖ Isolating the specific impact of performance appraisals on career development can be challenging.

IV. RESEARCH METHODOLOGY

Research methodology is a process that involves the techniques and procedures used to gather and analyse information for a specific research topic. It is also known as research design. To research the impact of performance appraisal systems on employee career development, you can use a mixed-methods approach, combining quantitative data (like surveys) with qualitative data (like interviews), focusing on employee perceptions, challenges, and suggestions related to the appraisal system. A research methodology describes the techniques and procedures used to identify and analyse information regarding a specific research topic. It is a process by which researchers design their study so that they can achieve their objectives using the selected research instruments. It includes all the important aspects of research, including research design, data collection methods, data analysis methods, and the overall framework within which the research is conducted. While these points can help you understand what is research methodology, you also need to know why it is important to pick the right methodology.

SOURCE OF DATA
Primary Data
Secondary Data

PRIMARY DATA

Primary data refers to data that is collected directly from original sources for a specific research purpose. It is firsthand information gathered through methods such as surveys, interviews, experiments, or observations. In contrast to secondary data (which is data that has already been collected and published by others), primary data is collected specifically for a particular study or investigation.

SECONDARY DATA

Secondary data refers to data that has already been collected, processed, and published by someone else for purposes other than your specific research.

SAMPLING TECHNIQUE
Convenience sampling technique is used here. When population elements are selected for inclusion in the sample based on the case of access, it can be called as convenience sampling.

SAMPLE SIZE
In this study, 120 respondents are taken as sampling data for the interpretation of data in the research through questionnaire.

V. RESEARCH FINDINGS

SIMPLE PERCENTAGE ANALYSIS
SATISFACTION IN PERFORMANCE APPRAISAL SYSTEM

S.NO	SATISFACTION IN PERFORMANCE APPRAISAL SYSTEM	FREQUENCY	PERCENTAGE
1	VERY SATISFIED	07	5.8%
2	SATISFIED	28	23.3%
3	NEUTRAL	51	42.5%
4	DISSATISFIED	31	25.8%
5	VERY DISSATISFIED	03	2.5%
	TOTAL	120	100%

Source : Primary Data

INTERPRETATION :

Table 4.1.6 reveals that among performance appraisal system towards employees career development, the highest proportion neutral satisfaction at 42.5%, this is followed by those who dissatisfied at 25.8%, and satisfied at 23.3%, and very satisfied at 5.8%, very dissatisfied at 2.5%.

Maximum (42.5%) of the respondents are neutral satisfaction.

PERFORMANCE CRITERIA

S.NO	PERFORMANCE CRITERIA	FREQUENCY	PERCENTAGE
1	VERY CLEAR	14	11.7%
2	CLEAR	27	22.5%
3	SOMEWHAT CLEAR	50	41.7%
4	NOT CLEAR	26	21.7%
5	NOT CLEAR AT ALL	03	2.5%
	TOTAL	120	100%

Source : Primary Data

INTERPRETATION :

The above table 4.1.8 reveals that among performance appraisal system towards employees career development, the highest proportion in performance criteria is somewhat clear, accounting for 41.7% this is followed by those performance criteria clear at 22.5%, and not clear at 21.7%, and very clear at 11.7% and not clear at all at 2.5%.

Maximum (41.7%) of the respondents stated the performance criteria belongs to (somewhat clear).

AGE AND MONTHLY INCOME
Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
age * monthly income	120	100.0%	0	0.0%	120	100.0%

age * monthly income Crosstabulation

		Monthly income				Total
		less than 20,000	20,000 to 25,000	25,000 to 35,000	35,000 and annova	
Age	18 - 25	49	6	1	0	56
	26 - 35	14	18	11	1	44
	36 - 45	2	5	7	3	17
	46 and above	0	1	0	2	3
Total		65	30	19	6	120

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	80.449[a]	9	.000
Likelihood Ratio	71.171	9	.000
Linear-by-Linear Association	52.956	1	.000
N of Valid Cases	120		

a. 9 cells (56.2%) have expected count less than 5. The minimum
expected count is .15.

HYPOTHESIS:
H_0:
        There is no significant relationship between age and monthly income for selecting.
INTERPRETATION:
        From the above table, the chi square test indicate that the Person chi square value is 80.449 with 9 degrees of freedom and the asymptotic significance level is .000. Since the value associated with the person chi-square and likelihood ratio tests are greater than the significance level of 0.05, we reject the Alternate hypothesis. Therefore, we can conclude that there is no significant relationship between Gender and reason for selecting based on the given data.

RESULT:
        Hence, we accept it as Null Hypothesis (H_0)
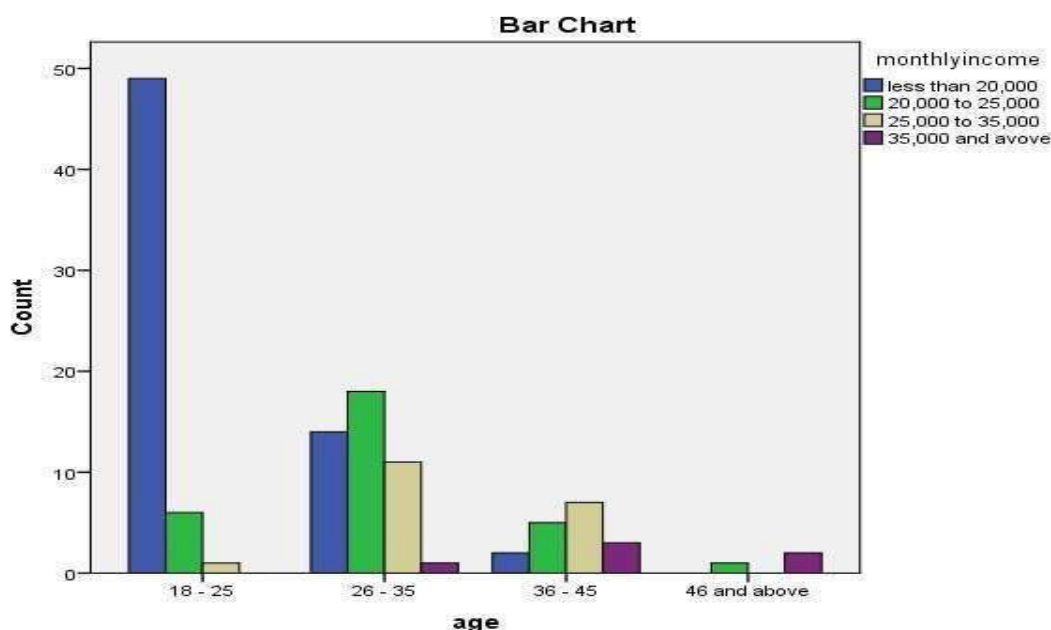
TABLE 4.31
AGE AND MONTHLY INCOME
Descriptives
age

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean	
					Lower Bound	Upper Bound
less than 20,000	65	1.28	.516	.064	1.15	1.40
20,000 to 25,000	30	2.03	.718	.131	1.77	2.30
25,000 to 35,000	19		.582			2.60
35,000 and above	6	2.32	.753	.134	2.04	3.96
Total	120	3.17	.799			1.87
				.307	2.38	
		1.73		.073	1.58	

Descriptives
Age

	Minimum	Maximum
less than 20,000	1	3
20,000 to 25,000	1	4
25,000 to 35,000	1	3
35,000 and above	2	4
Total	1	4

ANOVA
Age

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	35.004	3	11.668	33.076	.000
Within Groups	40.921	116	.353		
Total	75.925	119			

INTERPRETATION:

The above table provides the information on the sum of squares, degree of freedom, mean square, F-value and significance level associated with the hypothesis test. The between groups sum of squares (SS) is 35.004 with 3 degrees of freedom (df), while the within groups SS is 40.921 with 116 df. The total SS is 75.925 with 119 df. The mean square for the between-groups is 11.668, while F-value is 33.076. The significance level (p-value) associated with the F-value is .000. Since the p-value is less than the significance level of 0.05, there is not enough evidence to reject the Null hypothesis. Therefore, we conclude that there is significant association between reason for selecting by gender based on the given data.

RESULT: Hence, we accept is as Alternate Hypothesis (H_1).

VI. CONCLUSION

In conclusion, the study highlights that performance appraisal systems play a crucial role in shaping employees' career development by providing valuable feedback, identifying growth opportunities, and aligning individual aspirations with organizational goals. Effective performance appraisals can significantly enhance employee motivation, satisfaction, and engagement by offering clarity on strengths and areas for improvement. Moreover, when linked to tangible career outcomes such as promotions, skill development, and training, these systems foster a sense of progression and accomplishment. However, the study also reveals that the perceived fairness and transparency of the appraisal process are critical to its success in promoting career development. To maximize the impact of performance appraisals, organizations should ensure that these systems are continuous, constructive, and tailored to the specific needs of employees, fostering an environment where career growth is actively supported and encouraged.

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