

Project Dissertation

Performance Appraisal: An analysis of its efficacy and its impact on Employee's Performance and Job Satisfaction

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CERTIFICATE FROM THE INSTITUTE

This is to certify that the Project Report titled “**Performance Appraisal: An analysis of its efficacy and its impact on Employee’s Performance and Job Satisfaction**”, is a bonafide work carried out by Ms. Priyanka Chatterjee of MBA 2013-15 and submitted to Delhi School of Management, Delhi Technological University, Bawana Road, Delhi-42 in partial fulfillment of the requirement for the award of the degree of Masters of Business Administration.

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DECLARATION

I, **Priyanka Chatterjee**, student of MBA 2013-15 of Delhi School of Management, Delhi Technological University, Bawana Road, Delhi-42 declare that Dissertation Report on **“Performance Appraisal: An analysis of its efficacy and its impact on Employee’s Performance and Job Satisfaction”** submitted in partial fulfillment of Degree of Masters of Business Administration is the original work conducted by me. The information and data given in the report is authentic to the best of my knowledge. This report is not being submitted to any other University for award of any Degree, Diploma and Fellowship.

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I consider myself very fortunate to get the opportunity to conduct the primary research and project assignment at **Department of Personnel and Training (DOPT), Ministry of Personnel, Public Grievances and Pensions, Government of India**. This work is an exhaustive study on the Performance Appraisal system for All India Services. This report would not have been possible without the kind support and help of many individuals. I would like to extend my sincere thanks to them.

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I have gone through various sites, Research Books, Magazines and Newspapers to get the accurate information for analysis and tried to find the best conclusion.

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EXECUTIVE SUMMARY

A performance appraisal is a systematic and periodic process that assesses an individual employee's job performance and productivity in relation to certain pre-established criteria and organizational objectives. Other aspects of individual employees are considered as well, such as organizational citizenship behavior, accomplishments, potential for future improvement, strengths and weaknesses etc.

It is the process of evaluating the performance of employees, sharing that information with them and searching for ways to improve their performance. Performance Appraisal plays a crucial role in maintaining a high quality and competitive workforce. This report analyses the historical development of the Performance Appraisal system of All India Services and measures the validity, reliability and perceived fairness of the current PAR system. The study focuses on to find out the impact of performance appraisal on employee's performance and also analyze that job satisfaction affects the relationship of performance appraisal and employee's performance.

The report then moves on to analyze the issues and flaws in the current system along with the proposed reforms, including some the best practices that can be incorporated into the system of PAR. Seven hypotheses were analyzed by using sampling techniques. One Way ANOVA and correlation analysis was applied by using SPSS tool to test the hypothesis.

The research was conducted on 75 employees as sample by using simple random sampling among the employees of DOPT. Primary data were collected through standard questionnaire. For analyzing data, I applied ANOVA and correlation coefficient through IBM SPSS. The outcome has resulted is positive relationship between performance appraisal and Job Satisfaction. However there is no such relationship between Performance Appraisal or Job Satisfaction with either Age, Gender or Level of Education.

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