

1 INTRODUCTION

1.1 Introduction of the Project – All India Services

Performance Appraisal is a method by which the job performance of an employee is documented and evaluated. Performance appraisals are a part of career development and consist of regular reviews of employee performance within organizations. Performance Appraisal is reviewing past performance rewarding past performance, goal setting for future performance and employee development. Employee's Performance Appraisal system is considered to be one of the major indicators of Job Satisfaction which acts as the necessary basis of successful employee performance. Performance Appraisal is important because it helps in Performance Feedback, Employee Training and Development Decisions, Validation of Selection process, Promotions & Transfers, Layoff Decisions, Compensation Decisions, Human Resource Planning (HRP), Career Development and Development of Interpersonal Relationship.

As performance of an organization/agency is dependent on the performance of individual civil servants, over a period, an elaborate mechanism to evaluate the performance of individual government servants has evolved. These individual performance appraisal systems can be categorized as follows:

1. Conventional closed system of ACR (Annual Confidential Report) :

This is the traditional system, where at the end of a pre-set period (usually a calendar year), achievements of the officer are recorded

and graded, absolutely or relatively. The significant feature is the complete secrecy of the exercise, both in process and results, unless the rules specifically mention otherwise. Adverse remarks are communicated to the officer reported upon. In this regard there was the pre-1986 CR(Confidential Report) format and the post 1986 CR format, after incorporating certain changes.

2. Performance Appraisal with openness (PAR):

This system is the improvement of the above with the replacement of the Annual Confidential Report (ACR) with the Performance Appraisal Report (PAR) , on the basis of recommendations of a Committee constituted under the chairmanship of Lt. General (Retd.) Surinder Nathin 2002. This has added the feature of sharing the entire report with the officer and involvement of the officer at different levels. It involves setting goals at the start of the assessment period, reviews during the period and final assessment against achievement of goals. Finally, performance excellence is decided by a number (grades of 1-10) to be assigned by the reporting officer. Under the new system, the appraiser will have to discuss the details of the annual performance report with the employee concerned, including the overall grade and assessment of integrity. The report must also include the employee's remarks. Employees who do not agree with the appraisal outcome are now free to make representations against the comments or the final grading within 15 days of receiving the report. The appraisal reports will be treated as final only if no

representation is made. As a result appraisal system has become more consultative and transparent.

Performance appraisal plays a key role to measure the employee's performance and help the organization to check the progress towards the desired goals and objectives. Now organizations are using performance appraisal as a strategic approach by coordinating the human resource functions and business policies. Performance appraisal help aligns individual goals and objectives with the organizational goals. The system engages, motivates employees and thereby directs them toward achieving the strategic goals of the organization.

1.2 Objectives of the research

The objective of this study is to analyze the relation among performance appraisal system followed for the All India Service (AIS) officer and their level of job satisfaction. Key insights derived from this study include:

- 1.** To determine difference in opinion among the respondents about performance appraisal with respect to age.
- 2.** To determine difference in opinion among the respondents about performance appraisal with respect to gender.
- 3.** To determine difference in opinion among the respondents about performance appraisal with respect to level of education.

4. To determine difference in opinion among the respondents about Job Satisfaction with respect to age.
5. To determine difference in opinion among the respondents about Job Satisfaction with respect to gender.
6. To determine difference in opinion among the respondents about Job Satisfaction with respect to level of education.
7. To determine the relation between Job Satisfaction and Performance Appraisal.
8. To give suggestions and recommendations for further improvement based on the study conducted.

1.3 Hypothesis

1. There is no significant difference in opinion among the respondents about performance appraisal with respect to age.
2. There is no significant difference in opinion among the respondents about performance appraisal with respect to gender.
3. There is no significant difference in opinion among the respondents about performance appraisal with respect to level of education.
4. There is no significant difference in opinion among the respondents about Job Satisfaction with respect to age.

5. There is no significant difference in opinion among the respondents about Job Satisfaction with respect to gender.
6. There is no significant difference in opinion among the respondents about Job Satisfaction with respect to level of education.
7. There is strong positive relationship between Job Satisfaction level and Performance Appraisal System.

2. LITERATURE REVIEW

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. Job satisfaction is "a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences". Job satisfaction may be examined as part of the construct of employee engagement, as it is a combination of job involvement, organizational commitment and intentions to stay.

Employee's performance is the major issue in an organization. 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. It is found that although the system has evolved over time, yet there still continues to remain dissatisfaction with the current system and there are certain issues that need to be addressed. The current PAR is not being able to achieve its stated goals, which are career planning and training. As opposed to this, the primary purpose of the PAR seems to have become an

instrument to judge the officers. There is also a perception that the attempts to quantify and bring objectivity have not been successful as most of the officers usually get their expected perfect score of 10, although the performance of the department as a whole does not reflect that.

2.1 About the Organization - Department of Personnel Training

Department of Personnel and Training handles all matters relating to Administrative vigilance (including administration of CVC) and All India Services. The role of the Department of Personnel & Training can be conceptually divided into two parts, In its large nodal role, it acts as the formulator of policy and the watch-dog of the Government ensuring that certain accepted standards and norms, as laid down by it, are followed by all Ministries/Departments, in the recruitment, regulation of service conditions, posting/transfers, deputation of personnel as well as other related issues. Towards this end, guidelines are issued by it for the benefit of all Ministries/Departments and it monitors the implementation of these guidelines. It also advises all organizations of the Central Government on issues of personnel Management. At a more immediate level, the Department has the direct responsibility of being the cadre controlling authority for the IAS and the three Secretariat Services in the Central Secretariat.

The Department also operates the Central Staffing Scheme under which suitable officers from All India Services and Group 'A' Central Services are selected and then placed in posts at the level of Deputy Secretary/Director and Joint Secretary, on the basis of tenure deputation. The Department also deal with cases of appointment to posts of Chairman, Managing Director, full-time functional Director/Member of the Board of Management of various Public Sector Undertakings/ Enterprises, Corporations, Banks and financial institutions.

It also deals with the assignment of Indian experts to various developing countries. It is also responsible for formulation and coordination of training policies for the All India and Central Services and providing support for the capacity building of State Government officials.

2.2 Organizations under MOP

- **UPSC**

The Constituent Assembly, after independence, saw the need for giving a secure and autonomous status to Public Service Commissions both at Federal and Provincial levels for ensuring unbiased recruitment to Civil Services as also for protection of service interests.

- **SSC**

The Estimates Committee of Parliament, in its 47th Report (1967-68), recommended the setting up of a Services Selection Commission for conducting examinations for recruitment to lower categories of posts. Pursuant to this, and as an interim measure, an Examination Wing was initially added to the Secretarial Training School, subsequently renamed as the Institute of Secretariat Training and Management (ISTM).

- **P.E.S.B.**

The Public Enterprises Selection Board [**P.E.S.B**] is a high powered body constituted by Government of India Resolution dated 3.3.1987 which was subsequently amended from time-to-time, the latest being on 19.4.2000.

The **P.E.S.B** has been set up with the objective of evolving a sound managerial policy for the Central Public Sector Enterprises and, in particular, to advise Government on appointments to their top management posts.

- **L.B.S.N.A.A.**

The Lal Bahadur Shastri National Academy of Administration, India's premier research and training institute on administration and public policy, is located in Mussoorie, 2000 meters above sea level, in the foothills of Himalayas. It is 300 road kilometers from the national capital, New Delhi. The LBSNAA represents an interesting confluence of academic rigor and intellectual freedom. The campus

is a virtual melting pot where people across generations, from every part of our country and beyond, come in contact with each other. It is a place where participants from every state of our diverse country, speaking different languages, with diverse qualifications and socio-educational backgrounds meet, interact and learn from each other.

- **I.S.T.M.**

Established in the year 1948, with the ideals of "Efficiency and the Public Good", the Institute of Secretariat Training & Management was mainly engaged in the task of imparting training to the various grades of officers in the Central Secretariat and allied services. During the initial years, the Institute was conducting foundational and refresher in-service training programs for Assistants and Section Officers of the Central Secretariat and other allied services.

- **CVC**

The Central Vigilance Commission was set up by the Government in February, 1964 on the recommendations of the Committee on Prevention of Corruption, headed by Shri K. Santhanam, to advise and guide Central Government agencies in the field of vigilance.

- **CBI**

The Central Bureau of Investigation traces its origin to the Special Police Establishment (SPE) which was set up in 1941 by the Government of India. The functions of the SPE then were to investigate cases of bribery and corruption in transactions with the War & Supply Department Of India during World War II.

Superintendence of the S.P.E. was vested with the War Department. The DSPE acquired its popular current name, Central Bureau of Investigation (CBI), through a Home Ministry resolution dated 1.4.1963. Initially the offences that were notified by the Central Government related only to corruption by Central Govt. servants. In due course, with the setting up of a large number of public sector undertakings, the employees of these undertakings were also brought under CBI purview. Similarly, with the nationalization of the banks in 1969, the Public Sector Banks and their employees also came within the ambit of the CBI.

- **IIPA**

IIPA is an autonomous academic institution of national eminence for training, research and information dissemination in streams related to the ethos of Public Administration. Conceived by well-known US expert Paul H. Appleby and Founded and promoted by Pandit Jawaharlal Nehru, it is now known internationally as a premier centre for Training and Research in Public Administration and Management.

- **CIC**

Central Information Commission is constituted by the Central Government through a Gazette Notification. The Commission includes one Chief Information Commissioner (CIC) and not more

than 10 Information Commissioners (IC) who will be appointed by the President of India.

2.3 Work Allocation done by the Department

All matters relating following subjects are dealt by the Services & Vigilance Division :-

- Framing / finalization of Civil Service Examination Rules, Syllabus etc, allocation to IAS/IPS/IFS, recruitment / Appointment of IAS, allocation of candidates to various States / Jt. Cadre and issue of notification etc.
- Policy regarding inter-cadre deputation / inter-cadre transfer of All India Service Officers and inter-cadre transfer and inter-cadre deputation of IAS officer.
- Promotion of State Civil Service / Non-State Service Officers to the Indian Administrative Service.
- Administration of Statutory Rules and Statutory Regulations:
- Rules on all the service matters in respect of All India Services.
- Disciplinary cases against IAS Officers for offences committed while working at Centre.
- Proposals of CBI / State Governments for prosecution of IAS officers under the PC Act.
- Disciplinary cases against CSS (Grade –I and above) officers

and Principal Private Secretaries of the Central Secretariat Stenographers Service.

- All administrative and financial matters concerning CBI
- Grant of sanction u/s 188 of the Cr.PC 1973 in respect of the crimes committed by Indian citizens abroad and investigated by the CBI.
- Legislation/administration of the Prevention of Corruption Act 1988.
- All Financial and Administrative matters concerning the CVC
- Allegations / complaints / enquiries against Chief Ministers and Ministers of State Governments.
- Setting up of Commissions of Inquiry relating to corruption charges and matters relating thereto.
- Sanction for prosecution of Chief Ministers and Ministers of State Governments.
- Central Lokpal Legislation and matters related therewith.
- All matters relating to Administrative vigilance (including administration of CVC) and All India Services.

2.4 Performance Appraisal

A **performance appraisal (PA)**, **performance review**, **performance evaluation**, **(career) development discussion**, or **employee 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.

Maximizing the performance of organizations is the main issue for an organization (Bob Cardy, 1997). Good organizational performance refers to the employee's performance. Satisfactory performance of employees does not happen automatically. Managerial standards, Knowledge and Skill, Commitment and Performance appraisals effect employee's performance.

It is the process of evaluating the performance of employees, sharing that information with them and searching for ways to improve their performance.

The success of any organization is closely tied to the job performance of its employees. To achieve strong employee performance, managers conduct **employee performance** appraisals, implement training and development programs, and decide when to promote and reassign employees. Another key feature of employee performance is that it has to be goal relevant. Performance must be directed toward organizational goals that are relevant to the job or role. Therefore, performance does not include activities where effort is expended toward achieving peripheral goals.

Despite the emphasis on defining and predicting employee performance on the job, it is not a single unified construct. There are vastly many jobs each with different performance standards. Therefore, employee job performance is conceptualized as a

multidimensional construct consisting of more than one kind of behavior. Campbell (1990) proposed an eight factor model of performance based on factor analytic research that attempts to capture dimensions of job performance existent (to a greater or lesser extent) across all jobs.

1. The first factor is **task specific behaviors** which include those behaviors that an individual undertakes as part of a job. They are the core substantive tasks that delineate one job from another.
2. On the other hand, **non-task specific behaviors**, the second factor, are those behaviors which an individual is required to undertake which do not pertain only to a particular job. Returning to the sales person, an example of a task specific behavior would be showing a product to a potential customer. A non-task specific behavior of a sales person might be training new staff members.
3. Written and oral **communication** tasks refer to activities where the incumbent is evaluated, not on the content of a message necessarily, but on the adeptness with which they deliver the communication. Employees need to make formal and informal oral and written presentations to various audiences in many different jobs in the work force.
4. An individual's performance can also be assessed in terms of **effort**, either day to day, or when there are extraordinary circumstances. This factor reflects the degree to which people commit themselves to job tasks.

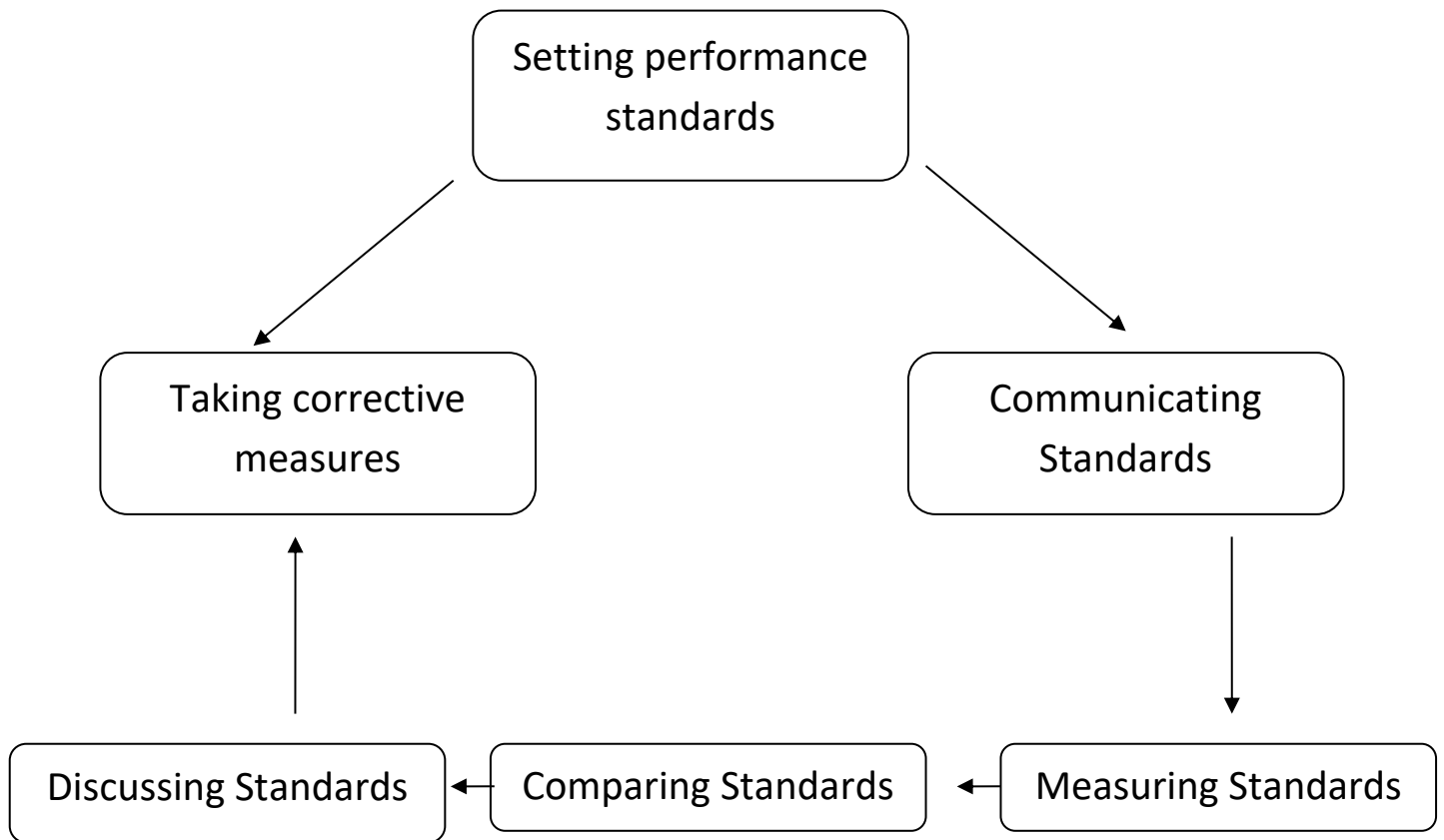
5. The performance domain might also include an aspect of **personal discipline**. Individuals would be expected to be in good standing with the law, not abuse alcohol, etc.
6. In jobs where people work closely or are highly interdependent, performance may include the degree to which a person **helps out the groups and his or her colleagues**. This might include acting as a good role model, coaching, giving advice or helping maintain group goals.
7. Many jobs also have a **supervisory or leadership component**. The individual will be relied upon to undertake many of the things delineated under the previous factor and in addition will be responsible for meting out rewards and punishments. These aspects of performance happen in a face to face manner.
8. **Managerial and administrative performance** entails those aspects of a job which serve the group or organization but do not involve direct supervision. A managerial task would be setting an organizational goal or responding to external stimuli to assist a group in achieving its goals. In addition a manager might be responsible for monitoring group and individual progress towards goals and monitoring organizational resources.

2.5 Employee Performance

Another taxonomy of employee performance was proposed and developed for the US Navy by Murphy (1994). This model is significantly broader and breaks performance into only four dimensions:

- 1.** Task-oriented behaviors are similar to task-specific behaviors in Campbell's model. This dimension includes any major tasks relevant to someone's job.
- 2.** Interpersonally oriented behaviors are represented by any interaction the focal employee has with other employees. These can be task related or non-task related. This dimension diverges from Campbell's taxonomy because it included behaviors (small talk, socializing, etc.) that are not targeting an organization's goal.
- 3.** Down-time behaviors are behaviors that employees engage in during their free time either at work or off-site. Down-time behaviors that occur off-site are only considered job performance when they subsequently affect job performance (for example, outside behaviors that cause absenteeism).
Destructive/hazardous behaviors

Process of Performance Appraisal



Mostly the following techniques are used throughout world for appraisal:

1. Ranking Method:

The ranking system requires the rater to rank his subordinates on overall performance. This consists in simply putting a man in a rank order. Under this method, the ranking of an employee in a work group is done against that of another employee. The relative position of each employee is tested in terms of his numerical rank. It may

also be done by ranking a person on his job performance against another member of the competitive group.

2. Forced Distribution:

This is a ranking technique where raters are required to allocate a certain percentage of rates to certain categories (eg: superior, above average, average) or percentiles (eg: top 10 percent, bottom 20 percent etc). Both the number of categories and percentage of employees to be allotted to each category are a function of performance appraisal design and format. The workers of outstanding merit may be placed at top 10 percent of the scale, the rest may be placed as 20 % good, 40 % outstanding, 20 % fair and 10 % fair.

3. Critical Incident Techniques:

Under this method, the manager prepares lists of statements of very effective and ineffective behavior of an employee. These critical incidents or events represent the outstanding or poor behavior of employees or the job. The manager maintains logs of each employee, whereby he periodically records critical incidents of the workers behavior. At the end of the rating period, these recorded critical incidents are used in the evaluation of the worker's performance.

4. Checklists and Weighted Checklists:

In this system, a large number of statements that describe a specific job are given. Each statement has a weight or scale value attached to it. While rating an employee the supervisor checks all those statements that most closely describe the behavior of the individual under assessment. The rating sheet is then scored by averaging the weights of all the statements checked by the rater. A checklist is constructed for each job by having persons who are quite familiar with the jobs. These statements are then categorized by the judges and weights are assigned to the statements in accordance with the value attached by the judges.

5. Paired Comparison:

This form of performance appraisal is a good way to make full use of the methods of options. There will be a list of relevant options. Each option is in comparison with the others in the list. The results will be calculated and then such option with highest score will be mostly chosen.

6. Graphic Rating Scales:

This format is considered the oldest and most popular method to assess the employee's performance.

In this style of performance appraisal, the management just simply does checks on the performance levels of their staff.

7. Assessment center:

It involves the informal events, tests and assignment that are given to the group of employees to evaluate their competencies.

8. Behaviorally anchored rating scales (BARS):

It is a new method that consists of predetermined critical areas of performance or set of behavior statements that describe important job qualities desired. The form is a mix of the rating scale and critical incident techniques to assess performance of the staff.

9. Human resource accounting: Here the performance of an employee is evaluated in terms of contribution and cost of employees.

10. 360 Degree Performance Appraisals:

It involves feedback of the manager, supervisor, team members and any direct reports i.e. it takes into consideration Self-appraisal, Superior appraisal, Subordinate appraisal and Peer appraisal. In this method of appraisal, employees complete profile has to be collected and assessed. In addition to evaluating the employees work performance and technical skill set, an appraiser collects an in-depth feedback of the employee.

11. Management by objectives (MBO): This is an objective type of evaluation which falls under modern approach of performance appraisal. In MBO method of performance appraisal, manager and

the employee agree upon specific and obtainable goals with a set deadline. With this method, the appraiser can define success and failure easily.

2.6 Job Satisfaction

Job satisfaction or employee satisfaction has been defined in many different ways. Some believe it is simply how content an individual is with his or her job, in other words, whether or not they like the job or individual aspects or facets of jobs, such as nature of work or supervision. Researchers have also noted that job satisfaction measures vary in the extent to which they measure feelings about the job (affective job satisfaction) or cognitions about the job (cognitive job satisfaction).

The concept of job satisfaction has been developed in many ways by many different researchers and practitioners. One of the most widely used definitions in organizational research is that of Locke (1976), who defines job satisfaction as "a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences". Others have defined it as simply how content an individual is with his or her job; whether he or she likes the job or not. It is assessed at both the global level (whether or not the individual is satisfied with the job overall), or at the facet level (whether or not the individual is satisfied with different aspects of the job). Spector (1997) lists 14 common facets: Appreciation, Communication, Coworkers, Fringe benefits, Job conditions, Nature of the work, Organization, Personal

growth, Policies and procedures, Promotion opportunities, Recognition, Security, and Supervision).

A more recent definition of the concept of job satisfaction is from Hulin and Judge (2003), who have noted that job satisfaction includes multidimensional psychological responses to an individual's job, and that these personal responses have cognitive (evaluative), affective (or emotional), and behavioral components. Job satisfaction scales vary in the extent to which they assess the affective feelings about the job or the cognitive assessment of the job. Affective job satisfaction is a subjective construct representing an emotional feeling individuals have about their job. Hence, affective job satisfaction for individuals reflects the degree of pleasure or happiness their job in general induces. Cognitive job satisfaction is a more objective and logical evaluation of various facets of a job. Cognitive job satisfaction can be one-dimensional if it comprises evaluation of just one facet of a job, such as pay or maternity leave, or multidimensional if two or more facets of a job are simultaneously evaluated. Cognitive job satisfaction does not assess the degree of pleasure or happiness that arises from specific job facets, but rather gauges the extent to which those job facets are judged by the job holder to be satisfactory in comparison with objectives they themselves set or with other jobs. While cognitive job satisfaction might help to bring about affective job satisfaction, the two constructs are distinct, not necessarily directly related, and have different antecedents and consequences.

Job satisfaction can also be seen within the broader context of the range of issues which affect an individual's experience of work, or their quality of working life. Job satisfaction can be understood in terms of its relationships with other key factors, such as general well-being, stress at work, control at work, home-work interface, and working conditions.

2.7 Salient features of PAR

The salient features of the new PAR followed for the All India Service officers, which distinguishes from the earlier format, are as follows:

- Only one Reporting/ Reviewing/ Accepting Authority.
- Disclosure of the full Performance Appraisal Report to the officer reported upon with the option to the officer to give his comments on the assessment. Further, option of representing to the general board, which shall be confined to errors of facts, also available to the officer.
- Memorial – The officer can present a memorial of the PAR to the President.
- Work Plan – Prepared at the beginning of the year and reviewed in mid-year in the month of September – October.

- Numerical grading in respect of work output, personal attributes and personal competency.
- Integrity to be recorded not only in relation to financial but also moral and intellectual respects.
- Pen-picture on the overall qualities to be recorded by the Reporting Authority and commented upon by the Reviewing Authority and an overall grade of 1-10 to be recorded by the Reporting and Reviewing Authority.
- Domain Assignment – Recommendations to be given by the Reporting Authority.

3. METHODOLOGY

3.1 Scope and Nature of Research

The organizational goals are divided and they incorporate the employee work plan. Performance appraisal involves what is expected from the employees. Evaluation involves employee performance comparison with the objectives that has been described in the beginning of the appraisal period. Evaluation talks about the performance of employees on the job met their goals. Regular assessment enables an employee to focus his/her attention on what is expected from him/her and motivates him too. Positive feedback tells employee that the performance goals have been achieved and also illustrates what is required from him/her to improve. A good appraiser and supervisor must communicate to the employee how the performance of them can be improved and motivates him.

Conceptual Framework: Independent Variable, Dependent Variable

The present study is descriptive and quantitative in nature.

3.2 Research design

In this paper descriptive research design was applied. The descriptive research design is used in cases where analyzers feel they have specific group of people who can define the main issues about the main determinants of the study. So the design was suitable for this research because the objective of study was to

identify the relation and define how these determinants support each other.

3.3 Sampling Frame

The target population of the study was the All India Service (AIS) officers holding varied posts of various ministries including PMO, MHA, DoPT and Ministry of Finance

3.4 Sampling design

For selecting the above mentioned population simple random sampling technique was used which provided every item of population same and known chances of being nominated. For collecting data 75 respondents were nominated representing the population. Simple random sampling technique is inexpensive and cheaper way of analyzing in limited time duration. And the employees of the departments have knowledge and are aware about the determinants of the study conducted on them.

3.5 Data collection

The questionnaire is the main source of collecting the research data. The questions have been developed to collect quantitative data. In questionnaire general questions are about gender, age, employment status, and education level. Likert scale of fifth continuum from 1 to 5 have been used for data collection where 1= strongly agree, 2=agree, 3= uncertain, 4=disagree and 5= strongly disagree .

4. DATA ANALYSIS

4.1 Introduction to the case

The case focuses on 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. It analyses the relation among performance appraisal system followed for the All India Service (AIS) officer and their level of job satisfaction. Various demographic variables like age, gender and level of education have been used as identifiers of the relationship.

4.2 Data analysis

1. Performance Appraisal with respect to Age

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
<30	20	4.26	.213	.048	4.16	4.36	4	5
>30	55	4.22	.271	.037	4.14	4.29	3	5
Total	75	4.23	.256	.030	4.17	4.29	3	5

Table No. 4.1: Descriptive Statistics of Performance Appraisal with respect to Age

Interpretation: Table 4.1 depicts that one of the demographic variables namely Age is basically divided into 2 groups i.e. Below 30 and Above 30.

Impact of Age on Performance Appraisal of Employees

H1:There is no significant difference in opinion among the respondents about performance appraisal with respect to age.

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.028	1	.028	.426	.516
Within Groups	4.829	73	.066		
Total	4.857	74			

Table No. 4.2: One way ANOVA on impact of Age on Performance Appraisal of Employees

Interpretation: Performance Appraisal between the 2 age groups. It is evident from F value (= .426) and P value (= .516), which is more than 0.05, that there is no significant difference in opinion among the respondents about Performance Appraisal with respect to age at the $p < .05$ level.

Thus the null hypothesis stating that there is no significant difference in opinion among the respondents about Performance Appraisal with respect to age is accepted.

2. Performance Appraisal with respect to Gender

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Male	43	4.22	.265	.040	4.14	4.30	3	5
Female	32	4.24	.248	.044	4.15	4.33	4	5
Total	75	4.23	.256	.030	4.17	4.29	3	5

Table No. 4.3: Descriptive Statistics of Performance Appraisal with respect to Gender

Interpretation: Table 4.3 depicts that one of the demographic variables namely Gender is basically divided into 2 groups i.e. Male and Female.

Impact of Gender on Performance Appraisal of Employees

H2: There is no significant difference in opinion among the respondents about performance appraisal with respect to gender.

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.006	1	.006	.089	.767
Within Groups	4.851	73	.066		
Total	4.857	74			

Table No. 4.4: One way ANOVA on impact of Gender on Performance Appraisal of Employees

Interpretation: The effects of gender on Performance Appraisal were studied using one way ANOVA test. The test was run to determine if there were differences in opinion about Performance Appraisal between the 2 genders. It is evident from F value (=0.089) and P value (= .767), which is more than 0.05, that there is no significant difference in opinion among the respondents about Performance Appraisal with respect to gender at the $p < .05$ level.

Thus the null hypothesis stating that there is no significant difference in opinion among the respondents about Performance Appraisal with respect to gender is accepted.

3. Performance Appraisal with respect to Level of Education

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Under Graduate	3	4.17	.082	.048	3.96	4.37	4	4
Graduate	20	4.25	.222	.050	4.14	4.35	4	5
Post Graduate	52	4.23	.276	.038	4.15	4.30	3	5
Total	75	4.23	.256	.030	4.17	4.29	3	5

Table No. 4.5: Descriptive Statistics of Performance Appraisal with respect to Level of Education

Interpretation: Table 4.5 depicts that one of the variables namely level of education is basically divided into 3 groups i.e. Under Graduate, Graduate and Post Graduate.

Impact of Level of Education on Performance Appraisal of Employees

H3: There is no significant difference in opinion among the respondents about performance appraisal with respect to the level of education.

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.018	2	.009	.137	.872
Within Groups	4.839	72	.067		
Total	4.857	74			

Table No. 4.6: One way ANOVA on impact of Level of Education on Performance Appraisal of Employees

Interpretation: The effects of level of education on Performance Appraisal were studied using one way ANOVA test. The test was run to determine if there were differences in opinion about Performance Appraisal between the 3 levels of education. It is evident from F value (= .137) and P value (= .872), which is more than 0.05, that there is no significant difference in opinion among the respondents about Performance Appraisal with respect to the level of education at the $p < .05$ level.

Thus the null hypothesis stating that there is no significant difference in opinion among the respondents about Performance Appraisal with respect to level of education is accepted.

4. Job Satisfaction with respect to Age

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
<30	20	4.15	.236	.053	4.04	4.26	4	4
>30	55	4.11	.262	.035	4.04	4.18	4	4
Total	75	4.12	.255	.029	4.06	4.18	4	4

Table No. 4.7: Descriptive Statistics of Job Satisfaction with respect to Age

Interpretation: Table 4.7 depicts that one of the demographic variables namely Age is basically divided into 2 groups i.e. Below 30 and Above 30.

Impact of Age on Job Satisfaction of Employees

H4: There is no significant difference in opinion among the respondents about Job Satisfaction with respect to age.

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.025	1	.025	.380	.540
Within Groups	4.775	73	.065		
Total	4.800	74			

Table No. 4.8: One way ANOVA on impact of Age on Job Satisfaction of Employees

Interpretation: The effects of age on Job Satisfaction were studied using one way ANOVA test. The test was run to determine if there were differences in opinion about Job Satisfaction between the 2 age groups. It is evident from F value (= .380) and P value (= .540), which is more than 0.05, that there is no significant difference in opinion among the respondents about Job Satisfaction with respect to age at the $p < .05$ level.

Thus the null hypothesis stating that there is no significant difference in opinion among the respondents about Job Satisfaction with respect to age is accepted.

5. Job Satisfaction with respect to Gender

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Male	43	4.15	.259	.039	4.07	4.23	4	4
Female	32	4.08	.248	.044	3.99	4.17	4	4
Total	75	4.12	.255	.029	4.06	4.18	4	4

Table No. 4.9: Descriptive Statistics of Job Satisfaction with respect to Gender

Interpretation: Table 4.9 explains that one of the demographic variables namely Gender is basically divided into 2 groups i.e. male and female.

Impact of Gender on Job Satisfaction of Employees

H5:There is no significant difference in opinion among the respondents about Job Satisfaction with respect to gender.

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.085	1	.085	1.308	.256
Within Groups	4.715	73	.065		
Total	4.800	74			

Table No. 4.10: One way ANOVA on impact of Gender on Job Satisfaction of Employees

Interpretation: The effects of age on Job Satisfaction were studied using one way ANOVA test. The test was run to determine if there were differences in opinion about Job Satisfaction between the 2 genders. It is evident from F value (=1.308) and P value (= .256), which is more than 0.05, that there is no significant difference in

opinion among the respondents about Job Satisfaction with respect to gender at the $p < .05$ level.

Thus the null hypothesis stating that there is no significant difference in opinion among the respondents about Job Satisfaction with respect to gender is accepted.

6. Job Satisfaction with respect to Level of Education

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Under Graduate	3	4.15	.140	.081	3.80	4.50	4	4
Graduate	20	4.13	.236	.053	4.02	4.24	4	4
Post Graduate	52	4.11	.269	.037	4.03	4.18	4	4
Total	75	4.12	.255	.029	4.06	4.18	4	4

Table No. 4.11: Descriptive Statistics of Job Satisfaction with respect to Level of Education

Interpretation: Table 4.11 explains that one of the variables namely Level of Education is basically divided into 3 groups i.e. Under Graduate, Graduate and Post-Graduate.

Impact of Level of Education on Job Satisfaction of Employees

H6: There is no significant difference in opinion among the respondents about Job Satisfaction with respect to level of education.

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.012	2	.006	.087	.917
Within Groups	4.788	72	.067		
Total	4.800	74			

Table No. 4.12: One way ANOVA on impact of Level of Education on Job Satisfaction of Employees

Interpretation: The effects of age on Job Satisfaction were studied using one way ANOVA test. The test was run to determine if there were differences in opinion about Job Satisfaction between the 3 levels of education. It is evident from F value (=1.308) and P value (= .256), which is more than 0.05, that there is no significant difference in opinion among the respondents about Job Satisfaction with respect to level of education at the $p < .05$ level.

Thus the null hypothesis stating that there is no significant difference in opinion among the respondents about Job Satisfaction with respect to level of education is accepted.

7. BIVARIATE CORELATIONSHIP BETWEEN PERFORMANCE APPRAISAL AND JOB SATISFACTION:

H7:There is strong positive relationship between Job Satisfaction level and Performance Appraisal system.

The bivariate relationship between the independent and the dependent factors was tested using the response. SPSS software was used for this purpose. The results of the same are shown below in the table 4.13

Correlations

		PAVG	JAVG
PAVG	Pearson Correlation	1	.286 [*]
	Sig. (2-tailed)		.013
	N	75	75
JAVG	Pearson Correlation	.286 [*]	1
	Sig. (2-tailed)	.013	
	N	75	75

*. Correlation is significant at the 0.05 level (2-tailed).

Table No. 4.13: Corelation test output between Performance Appraisal and Job Satisfaction

Interpretation: Correlation analysis test result has proved that the null hypothesis stating that there is strong positive significant relationship between Job Satisfaction level and Performance Appraisal system is accepted because the significant value (p) is

less than 0.05 and the value of the Pearson correlation coefficient is 0.286 , which shows moderate level of correlation.

Inference: The overall perception of the employees towards performance appraisal was found to be positively correlated at significance level of 0.01 indicating that there exists a positive relationship between Job Satisfaction and Performance Appraisal, thereby indicating that these are strong predictors of the dependent variables of the study. The Pearson's r statistic for the research is 0.286. This means that there is a loose relationship between our two variables. This means that changes in one variable are not so strongly correlated with changes in the second variable. In our example this number is not so close to 1. Thus we can conclude that there is a weak relationship between our job satisfaction and performance appraisal variables. However, we cannot make any other conclusions about this relationship, based on this number. But since r value is positive it indicates that as one variable increases in value, the second variable also increase in value. Similarly, as one variable decreases in value, the second variable also decreases in value. This is called a positive correlation between Job Satisfaction and Performance Appraisal.

However since the Sig (2-Tailed) value (= 0.013) is less than 0.05, it indicates that there is a strong statistically significant correlation between Performance Appraisal and Job Satisfaction. That means,

increases or decreases in one variable significantly relates to increases or decreases in the second variable.

4.3 Findings and Recommendations

The main objective of the research is to find the relationship among Performance Appraisal and Job Satisfaction, as well as to find out the relationship of few variables namely Age, Gender and Level of Education on the above qualifiers. The result of the study shows that there is significant positive relation between Performance Appraisal and Job Satisfaction. And motivation influences and makes strong the relation of Performance appraisal and employee's performance. By seeing these results we have analyzed all the 7 hypotheses.. If Performance Appraisal system is successfully used with the employees at the department, the employees would be able to know how well they are performing and what is expected to them in future in terms of their work performance and effort. The system must deeply observe the employees and recognize that employees are the most important resource. The findings of this study conducted among the 75 employees of government sector in the ministry seem to suggest that Indian Government employees interested in improving their performance through the performance appraisal systems. Government should seek to enhance the employee's job satisfaction level so that they become satisfied toward the appraisal system. Unskilled appraisers who have lack communication skills therefore are not able to accomplish an effective performance

appraisal system and lead to negative attitude toward the appraisal system. If DOPT uses performance appraisal as a strategic approach and relate it with HR activities and business policies they will be able to improve the competencies, motivation, capabilities and performance of their employees. The study can provide benefit other divisions of Government of India for improving their employee's performance through performance appraisal system. The study will also be useful for the HR practitioners because performance appraisal, job satisfaction and improving employee's performance are the functions of HR management. However due to dissatisfaction with the current Performance Appraisal system of filling up of PARs, the process needs to be reformed.

Some of the issues faced by the respondents as observed from the survey and discussion are as follows:

- Biasness of senior officials. Some officials are of the view that PAR is used as a tool to harass junior officials.
- Lack of confidentiality makes it difficult to give a free and frank opinion.
- The Performance Appraisal system followed is too lengthy and time consuming.
- Lack of adherence to time schedule by the Reporting/Reviewing/Accepting authority. Sometimes the appraisee was held responsible for delays in filling up of PARs by the individual officers.

- Targets and responsibilities were not clearly defined. Also sometimes it was difficult to measure the targets and achievements.
- No defined criteria for measuring the effort of individuals in achieving outcomes, rather one goal was linked to many teams which lacked coordination.
- Personal attributes are subjective and not measurable.

On the basis of the above observations, the following Suggestions can be made:

- Submission of Performance Appraisal Reports on time should be made mandatory .
- More weightage should be assigned to effort rather than output/outcome as due to the lack of coordination among teams many a times the outcome is not desirable and quantifiable.
- Since Job Satisfaction is positively related to Performance Appraisal, therefore an effective Performance System should be followed which will be bias free and the same time includes employee needs in its objectives. This will motivate the employees to put in more productive hours at work ,which in turn will result in happier, contented employees working with utmost job satisfaction.
- The process should not hold an appraise responsible for delays on the part of senior officials.

- More weightage should be attached to the honesty, integrity and the work spirit of the officers and the challenges before them.
- PAR currently followed is perhaps too lengthy and needs to be reduced.
- Individual areas of responsibility should be unambiguously defined.
- Performance of one tenure should be judged after comparing the performance of officers on the same post.
- The qualitative aspects should be quantified as much as possible so that they become easily measurable and comparable.
- Targets/goals to be achieved should be decided well in advance.
- For better results 360 degree feedback mechanism should be devised.
- Appraisal should be based on continuous/quarterly performance.

4.2 Limitations of the study

There were certain limitations faced during the research:

- Low rate of return of duly filled in questionnaires. This was one major hindrance.

- Ambiguous replies and omission of certain questions due to which the interpretation of results was difficult.
- Most of the employees did not respond to the open ended questions.
- Contacting various officers posed difficulty due to their busy and hectic work schedules.
- It was quite a time consuming process. The duration of the study and data resources were very few. With proper resources and time, the study could have been done much deeply and each and every aspect that affect the Appraisal system of employees and the level of Job Satisfaction could have been analyzed.

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6. ANNEXURE

Dear Participants, I am a student of MBA (HR) at Delhi School of Management, DTU Campus. I am conducting a research on “Performance Appraisal : An analysis of its efficacy and its impact on Employee’s Performance and Job Satisfaction” as part of my final year dissertation project. Kindly fill up this information and return. Any information obtained for this purpose will be kept strictly confidential and will only be used for academic purpose. Your cooperation will be highly appreciated in this regards.

The response scale for the questions is as below:

1= Strongly Disagree, 2= Disagree, 3= Uncertain, 4= Agree, 5 = Strongly Agree

(1) Gender: Male Female

(2) Age group: Below 30 Above 30

(3)Level of education: Under-Graduate Graduate Post-Graduate

S. No	Question	1	2	3	4	5
1	In your opinion performance appraisal can evaluate an					

	employee properly?						
2	Do you agree that your performance is effectively monitored throughout the year?						
3	Do you admit that all your colleagues in the department are evaluated uniformly?						
4	Are you satisfied with the current performance appraisal system of your organization?						
5	Performance evaluation should be conducted once a year						
6	Do you agree with the evaluation results you get?						
7	Do you always get the expected results of the performance appraisal evaluation?						
8	Do the evaluation results impact on your behavior, attitudes and morale?						
9	Does Performance Appraisal affects your on the job performance?						
10	Do you feel very satisfied when you get the results of your appraisal?						
11	Do you agree that performance appraisal is used as a decision making tool for the increasing the performance and for setting promotion standards?						
12	Are promotion opportunities fair and satisfactory in your department?						
13	Do you think that promotion opportunities affect performance?						
14	In your opinion, when employees are rewarded, does their performance and interest on the work increases?						
15	In order to have high performance, it is effective to increase employees' involvement at the workplace?						
16	Are you appreciated for the work that you perform?						
17	Do you feel that giving more responsibility and increasing the						

	authority for the assigned work is effective to increase your performance?					
18	Do you admit that the performance of employees may be increased by promoting them?					
19	Does Increase of performance happen if your manager observes your talents and directs you on how to improve?					
20	Does your manager discuss with you the feedback, when the set minimum standards of performance are not met?					
21	Do you agree that the level of wage affects performance?					
22	Does the Rewarding mechanism affect you're on the job performance?					
23	Are you involved in the decision making in your department?					
24	Does your manager communicate with you frequently about your performance?					
25	Is there a fair consistent basis for measuring performance and individual contribution to routine objectives?					
26	Do you think that your supervisor is biased?					
27	Do you get timely feedback of your evaluation?					
28	Do you wish to improve your performance score?					
29	In your opinion is the level of wage fair and satisfactory?					
30	Do you feel that the benefits such as rent, clothing and fuel increase the loyalty to work?					
31	Do bonuses increase your performance?					
32	Do you agree that out of the workplace interactions help build the relations between employees and this effectively improves your productivity?					