

Impact of Performance Appraisal Systems on Employee Performance (A Field Study of Information Technology (IT) Organizations in Aden, Yemen)

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Article History	Abstract
Original Research Article	<p><i>A well-functioning Human Resource Management Performance Appraisal System (PAS) will function in the open while being beneficial to employees and the entire organisation. Effectiveness of appraisal can be increased if we get feedback from the appraisers & appraisees on the current state of PAS in the organisation. Understanding the perception of Employees helps human resource managers to figure out loopholes in the appraisal framework and take necessary measures for improvement. Accordingly, the current study utilized a quantitative research methodology to assess the perceptions and experiences of raters and ratees employed in an in-house context and make appropriate recommendations for changes to the appraisal system. Interview Folia data was collected using a structured questionnaire from distributed directly to the respondents. A total of 100 Employees and a sample of the whole workforce, with 20 Employers were selected through stratified random sampling technique.</i></p> <p><i>The results found that employees had a high awareness level of the present practices of performance appraisal practices incorporated in the organization. Feedback gathered regarding both the raters and ratees indicated a broad awareness of existing PAS practices. Almost 97% of the ratees agreed regarding awareness and understanding of the system. Raters also spent a lot of time giving performance feedback to employees. Also, a respondent had significant awareness of performance evaluation traits and attributes as only around 82% of employees said the appraisal criteria analyzed were sufficient to assess their job performance. In addition, participants believed that training programmes had a major role to play in improving job knowledge and individual competencies. Results were also found to indicate that the vast majority of ratees understood their reporting and reviewing officers in relation to the appraisal process.</i></p> <p>Keywords: Performance Appraisal System, Employee Performance, Human Resource Management, Performance Evaluation, Employee Feedback, Training and Development, IT Organizations, Organizational Performance, Employee Competency, Yemen IT Sector.</p>
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<p>Copyright © 2026 The Author(s): This is an open-access article distributed under the terms of the Creative Commons Attribution 4.0 International License (CC BY-NC) which permits unrestricted use, distribution, and reproduction in any medium for non-commercial use provided the original author and source are credited.</p> <p>Citation: Dr. Iskander Hasson A. Sattar, Mahmood Abdo Thabet, & Mohammed Fadhl Saleh Bin Ali Jaber. (2026). <i>Impact of performance appraisal systems on employee performance (A field study of information technology (IT) organizations in Aden, Yemen)</i>. UKR Journal of Economics, Business and Management (UKRJEBM), 2(5), 135-155.</p>	

INTRODUCTION

In the contemporary competitive business landscape, organizations continuously strive to enhance employee productivity and overall organizational efficiency, particularly within knowledge-driven sectors such as the Information Technology industry. Among the various human resource management practices employed to

achieve these objectives, performance appraisal systems have emerged as essential tools for evaluating employee effectiveness, providing constructive feedback, identifying areas of strength and weakness, and facilitating professional development. A well-structured appraisal system contributes significantly to aligning individual

employee performance with broader organizational objectives while also supporting managerial decisions relating to promotion, compensation, rewards, and staff training. Within IT organizations, employee performance plays a critical role in fostering innovation, maintaining service quality, and sustaining competitive advantage. Nevertheless, issues associated with fairness, transparency, and the practical utilization of appraisal outcomes often undermine the effectiveness of these systems. Against this background, the present study investigates the influence of performance appraisal systems on employee performance within IT organizations located in Aden, with the aim of generating empirical evidence regarding their contribution to enhancing employee effectiveness and organizational performance.

Problem Statement

Performance appraisal systems are important tools for evaluating employee performance, improving productivity, and supporting human resource development. However, in many organizations, especially in developing countries, these systems are often implemented inconsistently and may lack transparency and clear evaluation criteria. In Information Technology organizations, where employee skills, innovation, and productivity are essential for success, effective appraisal systems are particularly important. Despite this, many organizations do not fully utilize appraisal systems to improve employee performance. Therefore, this study examines the extent to which performance appraisal systems contribute to enhancing employee performance in IT organizations in Aden.

Research Questions

Main Question

What is the impact of performance appraisal systems on employee performance in Information Technology organizations in Aden, Yemen?

Sub-questions

To what extent are performance appraisal systems used in IT organisations?

What's the level of employee performance in IT organisations?

Is there a strong association between performance appraisal system and employee performance?

Do performance appraisal systems greatly affect employee performance?

Research Objectives

Main Objective

To examine the impact of performance appraisal systems

on employee performance in IT organizations in Aden, Yemen.

Sub-objectives

To identify the level of implementation of performance appraisal systems in IT organizations.

To measure the level of employee performance in IT organizations.

To analyze the relationship between performance appraisal systems and employee performance.

To determine the impact of performance appraisal systems on employee performance.

Research Hypotheses

Main Hypothesis

H1: Performance appraisal systems have a significant positive impact on employee performance in IT organizations.

Sub-hypotheses

H1a: Performance appraisal criteria have a significant impact on employee performance.

H1b: Feedback from performance appraisal has a significant impact on employee performance.

H1c: Fairness of performance appraisal has a significant impact on employee performance.

H1d: Performance appraisal results have a significant impact on employee performance.

Theoretical Framework

Performance Appraisal Systems

Performance appraisal is a formal and systematic process by which organizations assess employee performance against established standards, goals, and organizational objectives. It requires assessing the degree to which an employee contributed towards the accomplishment of goals and improved work performance based on: job achievements, work behavior competencies, and overall effectiveness.

According to many scholars in Human Resource Management, performance appraisal systems serve several important purposes, including performance evaluation, employee development, administrative decision-making, and organizational planning.

Research Gap

The research gap can be explained through three aspects:

1. Geographic gap

There is a scarcity of studies examining performance appraisal systems in IT organizations in Aden, Yemen.

2. Sectoral gap

Most previous studies focused on banking, manufacturing, or public organizations, while fewer studies examined Information Technology organizations.

3. Empirical gap

Limited empirical evidence exists regarding how performance appraisal systems influence employee performance in the IT sector.

Conceptual Model Diagram

The conceptual framework for the study is as follows:

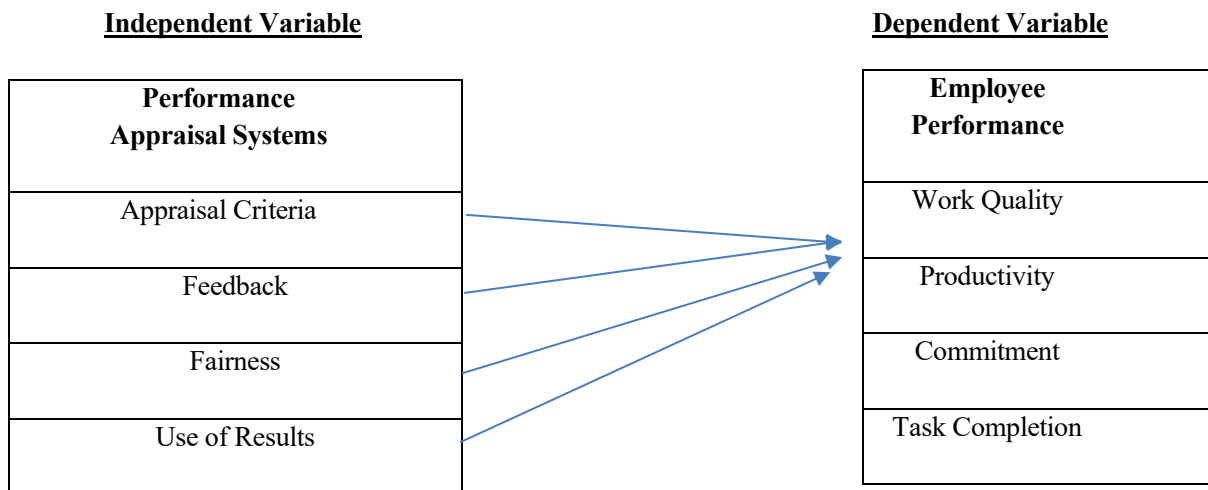


Figure (1): Conceptual Framework

Study Limitations

1. Geographic Limitation :

The study will be conducted only in IT organizations in Aden.

2. Sector Limitation:

The research focuses only on Information Technology organizations.

3. Time Limitation:

The data will be collected during a specific period of the study.

4. Human Limitation:

The study will rely on responses

Previous Studies

Study 1: Salami Luqman Adeniyi (2024): Performance Appraisal and Employees' Performance: A Study of Civil Servants in Ogun State, Nigeria

We investigated the remained effect of performance appraisal systems in extra typical lifetime judges architectural inside the framework publicwo. The study focused on employees in the Ogun State civil service and data were collected using structured questionnaires

administered to staff across all government departments. To facilitate the collection and analysis of primary data from civil servants, a quantitative descriptive research design was adopted. Statistical techniques were used to examine the relationship between performance appraisal practices and employee performance outcomes. Results summary showed that performance appraisal systems have a considerably positive effect on employees work performance Our study provides remarkably what are those factors that affect workplace productivity like setting the goals, communication skill building, learning and development opportunities and positive feedback channels were found to be statistically significant determinants enhancing the employee efficiency and productivity.

Study 2: Taibu Azah (2024): An Empirica0l Study of Employee Performance Appraisal in Selected Local Governments in Eastern Uganda

The study aimed to analyze the effectiveness of performance appraisal systems in improving employee performance within local government institutions. The target Population are Civil servants working in five local government institutions in Eastern Uganda. The sample includes the total population consisted of 1,273 civil servants, including department heads and human

resource managers. The study adopted a descriptive survey design and used both quantitative and qualitative approaches. Data were collected through self-administered questionnaires using a cross-sectional research design. In the results and findings, the study found that well-structured performance appraisal systems enhance employee performance by clarifying job expectations, improving accountability, and encouraging employee development within government institutions.

Study 3 : International Committee of the Red Cross in Yemen (2024) : Appraisal System and Employee Performance: A Case Study of the International Committee of the Red Cross in Yemen

The study aimed to investigate the impact of performance appraisal systems on employee performance and to examine how appraisal fairness, accuracy, and feedback affect employees' work outcomes. The target population is the employees working at the International Committee of the Red Cross (ICRC) in Yemen. The study distributed questionnaires to 217 employees working in the organization. The study adopted a descriptive quantitative approach using questionnaires to collect primary data. Statistical tools such as correlation and regression analysis were used to analyze the relationship between variables. In terms of the results and findings, the findings revealed a significant positive relationship between performance appraisal systems and employee performance. Specifically, perceived fairness, accuracy of evaluation, and quality of feedback were found to significantly improve employee performance.

COMPANY PROFILE

In the following, a concise company profiles are presented for IT organizations operating in Aden:

1. Shammakh Systems & Computers

Overview

Established in 1996, Shammakh Systems & Computers (SSC) is a major ICT and systems integration company in Yemen. SSC provides enterprise networking, cybersecurity, and infrastructure solutions and partners with international brands such as Cisco and Fortinet.

Main Services

- Network infrastructure solutions
- Cybersecurity systems
- Data center solutions
- Structured cabling
- IT support and maintenance

Key Strengths

- More than 25 years of ICT experience
- Cisco and Fortinet certified partnerships
- Strong enterprise project expertise

2. YemenSoft

Overview

YemenSoft is one of the most recognized enterprise software companies in Yemen. Its Aden branch provides ERP systems, accounting software, and business management solutions for companies and institutions.

Main Services

- ERP systems
- Accounting software
- Human resources systems
- Inventory and sales management
- Business consultancy

Key Strengths

- Large customer base in Yemen
- Specialized enterprise solutions
- Long experience in financial systems

3. DarCom for Security Solutions & IT

Overview

DarCom for Security Solutions & IT is a technology and security company based in Aden. The company focuses on advanced security systems, surveillance technologies, and IT infrastructure solutions for businesses and institutions.

Main Services

- CCTV and surveillance systems
- Network solutions
- Security technologies
- IT infrastructure
- Technical support services

Key Strengths

- Integrated security and IT services
- Advanced surveillance technologies
- Professional technical support

4. Easy Soft

Overview

Easy Soft is a software company in Aden that specializes in accounting systems, business software, and enterprise management solutions. The company serves commercial

organizations and small businesses with customized software products.

Main Services

- Accounting systems
- ERP software
- Inventory management systems
- Sales and billing software
- Technical support

Key Strengths

- Tailored software for local businesses
- Business process automation
- Reliable maintenance and support services

Literature Review

Introduction

Performance appraisal systems (PAS) are essential human resource management practices used to evaluate employee performance, improve productivity, and achieve organizational objectives. In modern organizations, particularly IT companies, PAS play a strategic role in assessing employee competencies, identifying training needs, motivating employees, and supporting career development. Studies also show that effective appraisal systems positively influence employee motivation, organizational commitment, and overall organizational performance.

Concept of Performance Appraisal Systems

Performance appraisal is a formal organizational process used to evaluate employee job performance according to established standards and objectives. It helps identify employee strengths and weaknesses, provide feedback, support promotion and reward decisions, and enhance overall efficiency. Traditional appraisal methods relied on ranking systems and supervisor evaluations, whereas modern approaches include Management by Objectives (MBO), 360-degree feedback, self-assessment, and technology-based systems. The use of digital Human Resource Information Systems (HRIS) has further improved appraisal practices through real-time feedback, automated evaluations, and data-driven decisions. Studies also emphasize that appraisal systems are most effective when employees perceive them as fair, objective, and aligned with organizational goals, while unfair systems can negatively affect morale, satisfaction, and productivity.

Employee Performance

Employee performance refers to how effectively employees achieve organizational goals through productivity, quality work, commitment, and successful task completion. In IT organizations, performance is influenced by factors such as

technical skills, innovation, teamwork, communication, and adaptability to technological changes. Research shows that employee performance improves when employees receive continuous feedback, clear expectations, recognition, and professional development opportunities. Performance management systems also help employees align their personal goals with organizational objectives, which enhances organizational efficiency and competitiveness.

Performance Appraisal in Information Technology Organizations

IT organizations operate in highly competitive and rapidly changing environments, making employee performance a key factor for organizational success. Performance appraisal systems in IT companies commonly emphasize innovation, project completion, teamwork, problem-solving abilities, and technical skills. Studies show that IT employees prefer objective, technology-driven appraisal systems based on measurable outcomes. Digital performance management platforms have improved communication between managers and employees, minimized appraisal bias, and increased employee participation in evaluations. In addition, technology-supported appraisal systems enable continuous performance monitoring and employee development planning. Research indicates that organizations using modern appraisal technologies tend to achieve higher employee satisfaction and productivity than those relying on traditional evaluation methods.

Performance Appraisal Systems in Developing Countries

Due to limited technological infrastructure, poor management, and poorly trained employees to be able to utilize these systems effectively, organizations in developing countries like Yemen often find it difficult to implement performance appraisal systems. Despite these drawbacks, however, several establishments are progressively recognizing the value of manipulating structured appraisal mechanisms to enhance productivity and promote complete organizational effectiveness. Studies done in developing economies also show that performance appraisal systems, which are fair and transparent, have a positive impact on employee motivation, job satisfaction and organizational commitment. Sadly, many organizations still suffer from favoritism, vague evaluation standards and poor feedback procedures which may diminish the credibility or effectiveness of appraisal practices. In reference to the context of Yemen, specifically applicable with regards to IT organizations in the city of Aden, little is empirically known about how performance appraisal systems affect employee performance. Therefore, the purpose of this study is to address this research gap and

examine the impact of performance appraisal systems on employee performance in selected IT organizations situated in Aden—Yemen at present times.

Research Gap

While many international studies have examined the relationship between performance appraisal systems and employee performance, there is little empirical evidence on this in an IT context within the Yemen (in particular Aden). The majority of investigations dominate big corporations and government institutions or organizations that operate in developed economies, whereas very few explored the effectiveness of appraisal systems between the Yemeni IT sector under unique economic, technological, and organizational contexts. As a result, the current study seeks to fill this gap in literature by exploring the link between performance appraisal systems and employee performance within it organizations in Aden Yemen. Moreover, the study aims to discover key factors impacting the efficacy of appraisal practices in this critical sector.

RESEARCH METHODOLOGY

Hypothesis –

H₀- performance appraisal system is not important in any organizational context

H₁- performance appraisal system is extremely important in any Organizational context.

Type of Research-

The research is primarily quantitative in nature. The study is based on data collected through structured questionnaire from the respondents and interviews conducted with the respondents.

Sampling Technique-

The research technique used is Stratified Random method.

Types of Data-

Data is the fact of an event. Data is the base for every research work. The data is mainly classified into two groups.

- 1) **Primary data:** Thrust has been on collection of primary data. Structured questionnaire has been used and discussed personally with the respondents to get their responses.
- 2) **Secondary data:** Books, journals, websites etc., have been consulted for obtaining related information, and also for crosschecking of primary data.

Research Techniques

Structured Questionnaire Personal Interviews

Statistical tools - Tables/chart.

Population – 200

Sample Size -120

Employee's (Ratees) - 100

Employer's (Raters) - 20

Scope and Limitations of the research:

- The study is constrained only to performance appraisal system
- The study is limited to the Bangalore city only.
- Analysis of primary data is done on the assumption that the answers given by the respondents are true and correct.
- Time and Resource constraints.

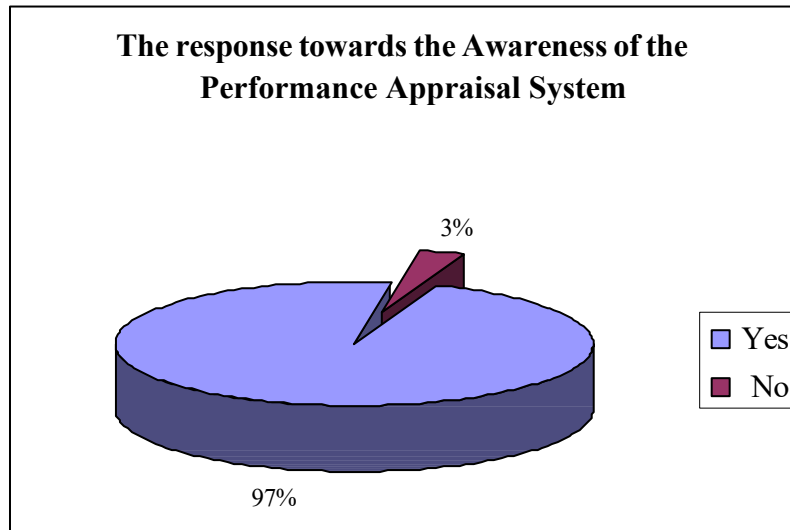
Questionnaire 1 (To the Ratees)

Q1. Are you aware of performance appraisal system followed in your company?

Table No 1- The response towards the Awareness of the Performance Appraisal System

Particulars	No of respondents	% of respondents
Yes	97	97
No	3	3

Graph No 1- The response towards the Awareness of the Performance Appraisal System



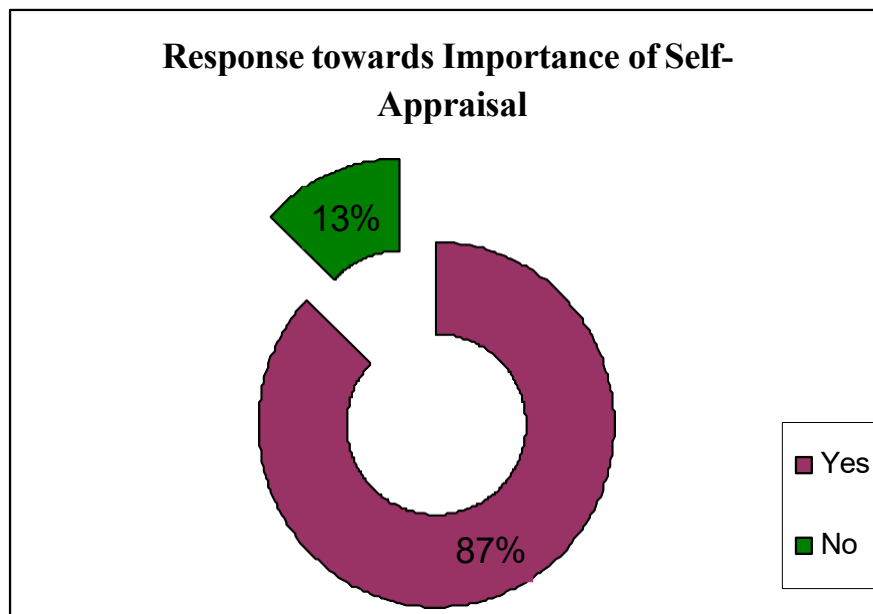
Inference: The company follows a strict policy about the appraisal

Q2. In the performance appraisal system “self appraisal” forms a part. Do you think it is relevant?

Table No 2- The response about the Validity of Self Appraisal

Particulars	No of respondents
Yes	87
No	13

Graph No 2- Response towards Importance of Self- Appraisal



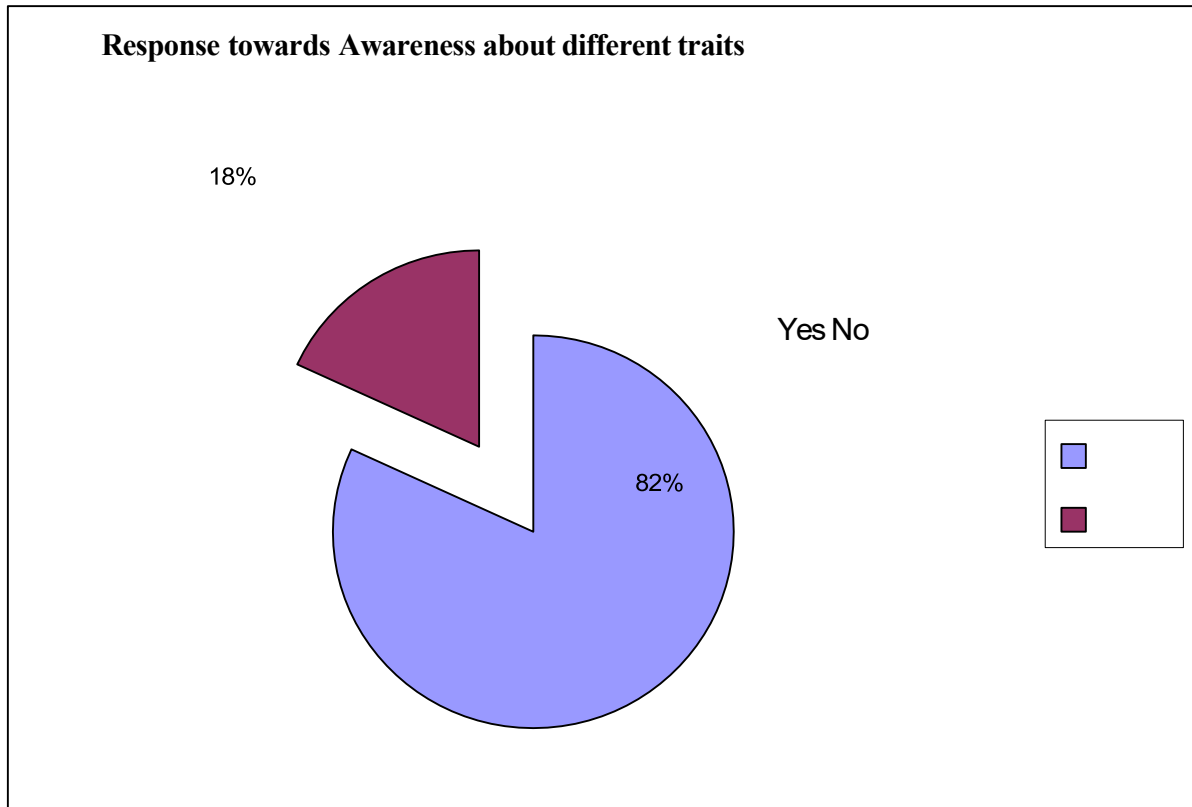
Inference: The self appraisal is relevant as part of performance appraisal.

Q3. Are you aware of the different traits / attributes according to which you are rated?

Table No 3- The response about the Knowledge of Traits/Attributes

Particulars	No of respondents
Yes	82
No	18

Graph No 3- Response towards Awareness about different traits



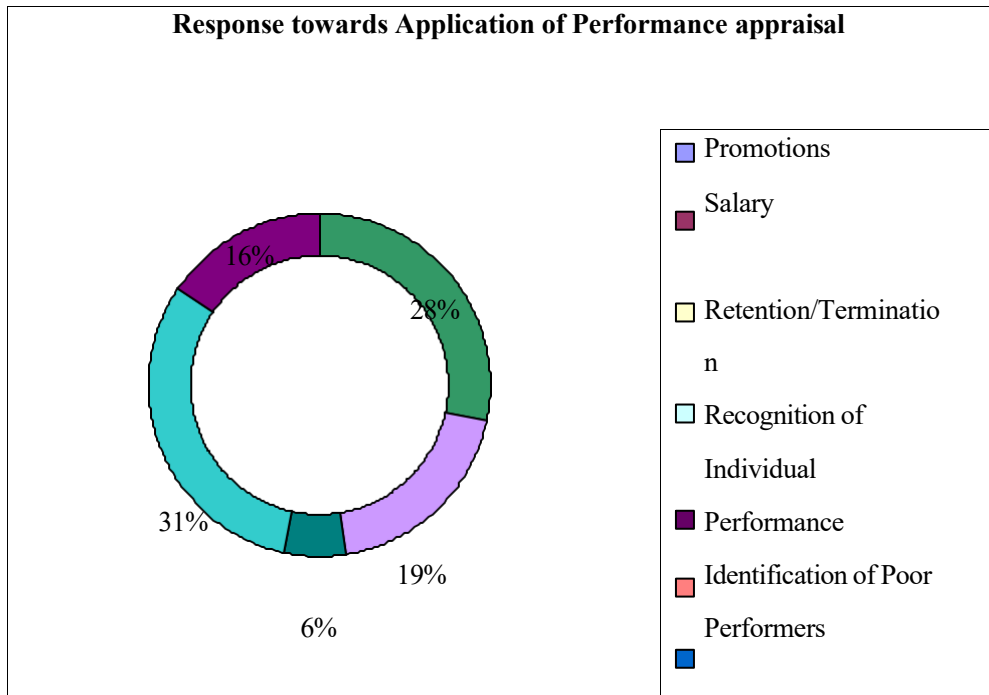
Inference: The managements effectively inform the appraisee about the traits contained in the appraisal formats.

Q4. The performance appraisal system helps in

Table No 4- The response of Performance Appraisal according to the Employees perspective

Particulars	No of respondents
Promotions	58
Salary	39
Retention/Termination	12
Recognition of Individual Performance	63
Identification of Poor Performers	32

Graph No 4- Response towards Application of Performance appraisal



Source: Field Investigation

Inference: The Performance appraisal influences promotions and also aids in recognition of individual performances.

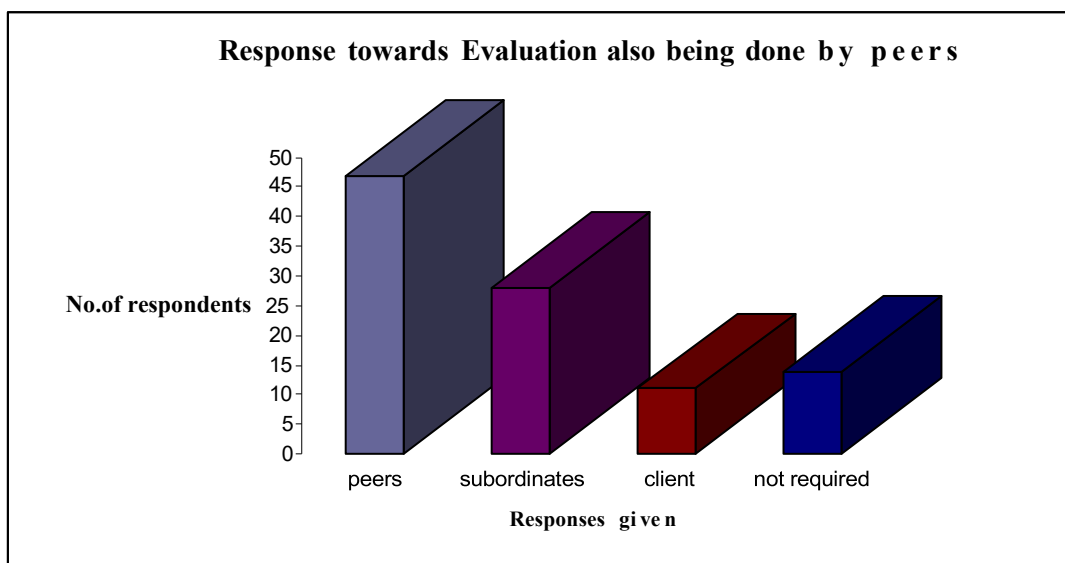
Q5. The Performance Appraisal System has two parts i.e., Self- appraisal followed by the evaluation of Reporting and Reviewing Officers.

Do you think the evaluation should also be done by....

Table No 5- The response towards evaluation also being done by peers

Particulars	No of respondents	% Of Respondents
Peers	47	47
subordinates	28	28
Client or outsiders	11	11
Not required	14	14

Graph No 5- Response towards Evaluation also being done by Peers



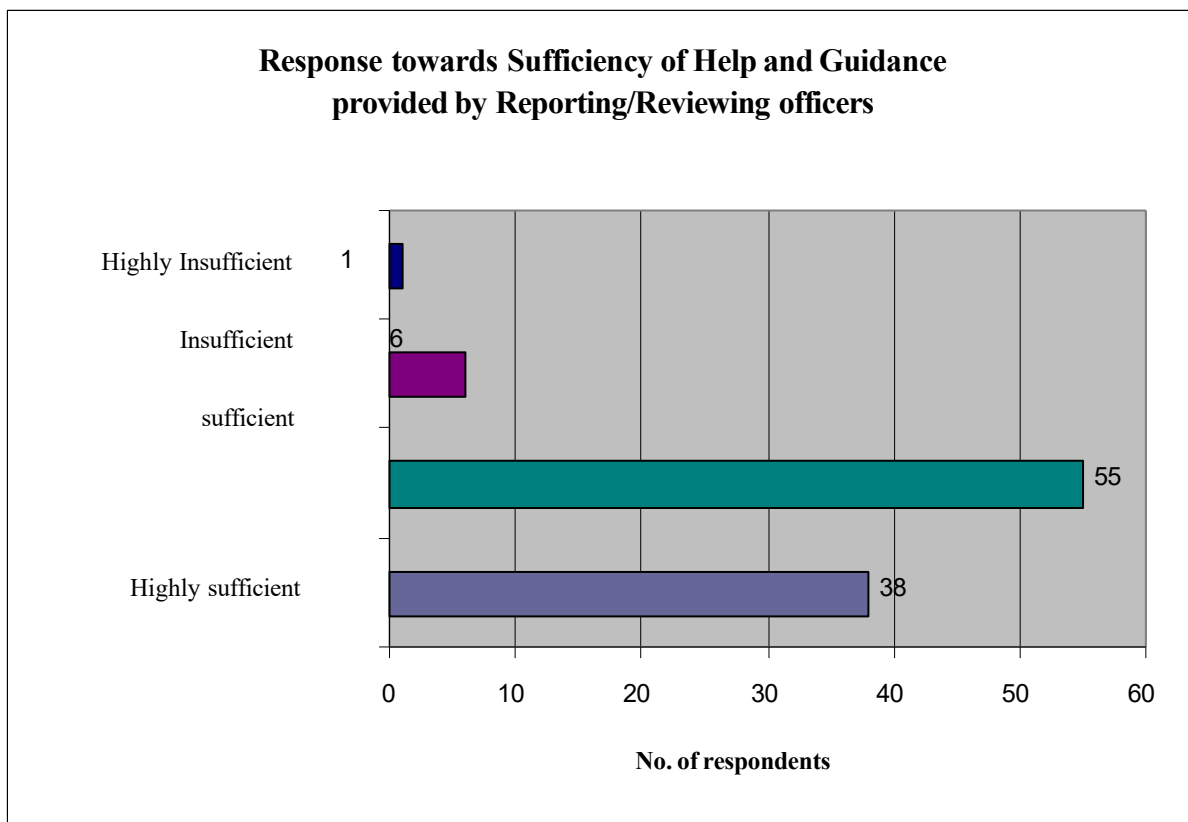
Inference: Strong preference to evaluation by peers

Q6. Help and guidance provided to you by your reporting/reviewing Officers is...

Table No 6- The response towards the sufficiency of help and guidance provided by Reporting/Reviewing officers.

Particulars	No of respondents
Highly sufficient	38
sufficient	55
Insufficient	6
Highly Insufficient	1

Graph 6- Response towards Sufficiency of Help and Guidance provided by Reporting/Reviewing officers



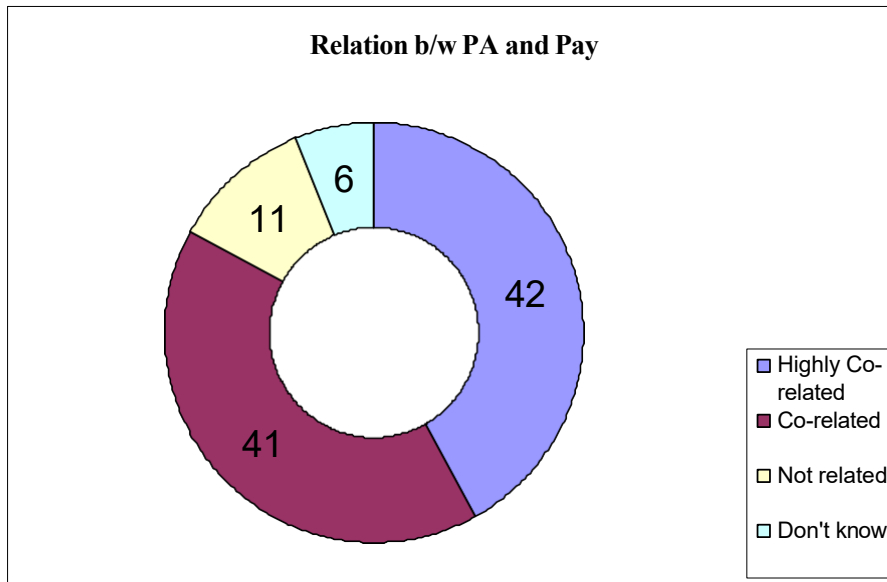
Inference: Indicating that the management spends considerable time on providing help and guidance to the employees.

Q7. The close relationship between your performance appraisal rating and corresponding monetary reward is

Table No 7 - The response to the extent of closeness between Performance Appraisal rating and the corresponding monetary benefits

Particulars	No of respondents	% of respondents
Highly Co-related	42	42
Co-related	41	41
Not related	11	11
Don't know	6	6

Graph No 7- Relation b/w PA and Pay



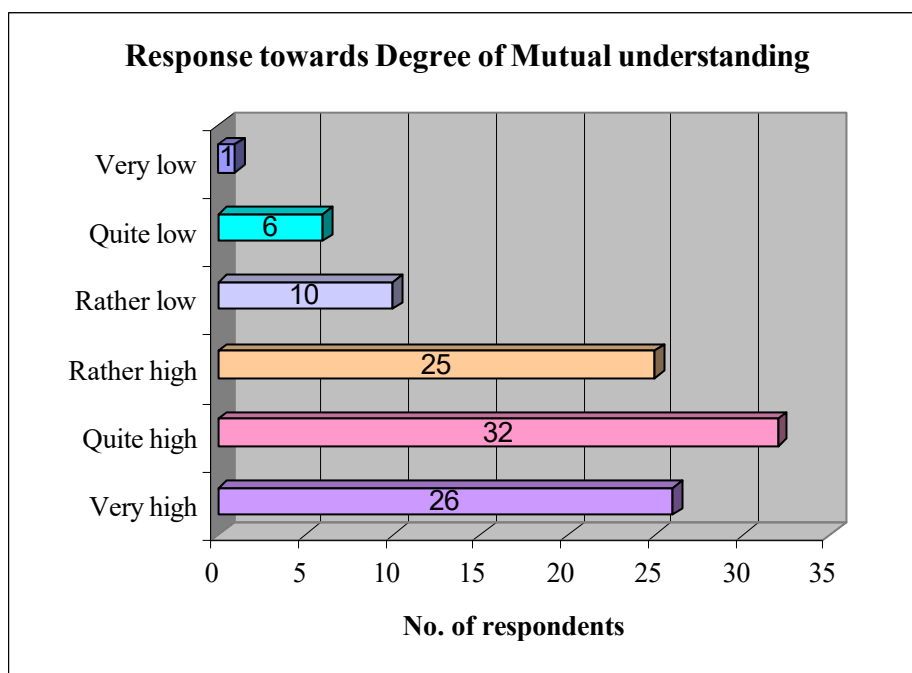
Inference: There is a high close relation between performance appraisal and pay.

Q8. The degree of Mutual Understanding in your work relationships with your supervisor is...

Table No 8- The response towards the degree of mutual understanding in work relationships with the employee's Superior.

Particulars	No of respondents
Very high	26
Quite high	32
Rather high	25
Rather low	10
Quite low	6
Very low	1

Graph No 8- Response towards Degree of Mutual understanding



Inference: The degree of mutual understanding in work relationships with the employee's superior is high. This implies that "Rater Bias" is not prevalent in the company.

Q9. The training needs identified through the performance appraisal

Key:

a: Formulated into a training programme.

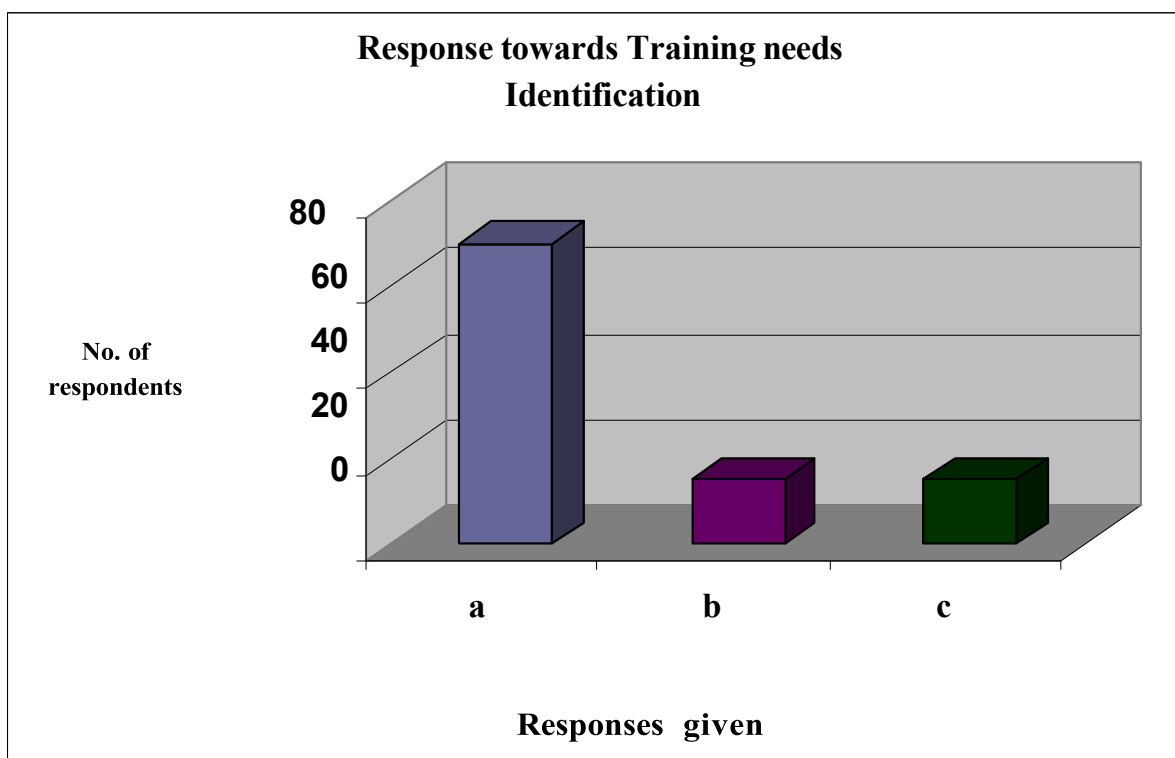
b: Not considered for training.

c: Don't know

Table No 9- showing the response towards the Training needs identified through the Performance Appraisal

Particulars	No of respondents	% of respondents
a	70	70
b	15	15
c	15	15

Graph No 9 - Response towards Training needs Identification



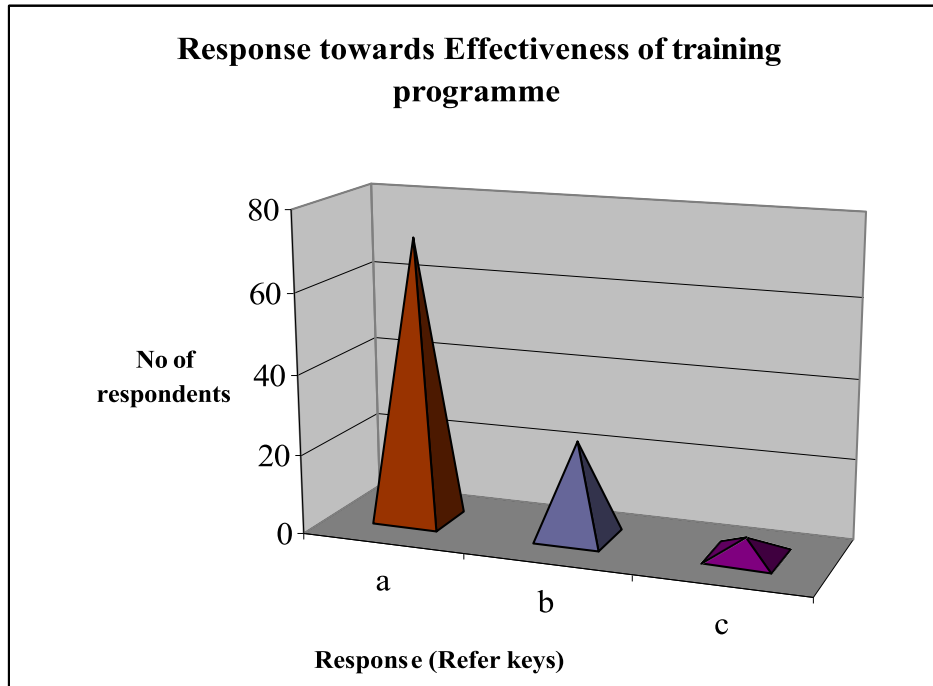
Inference: The management is effective in recognizing the training needs and then incorporating the needs into an appropriate training programme.

Q10 The Training Programme conducted

Table No10- showing the response towards the type of the training programme Conducted in the company

particulars	No of respondents	% of respondents
a	71	71
B	24	24
c	5	5

Graph No 10- Response towards Effectiveness of training programme



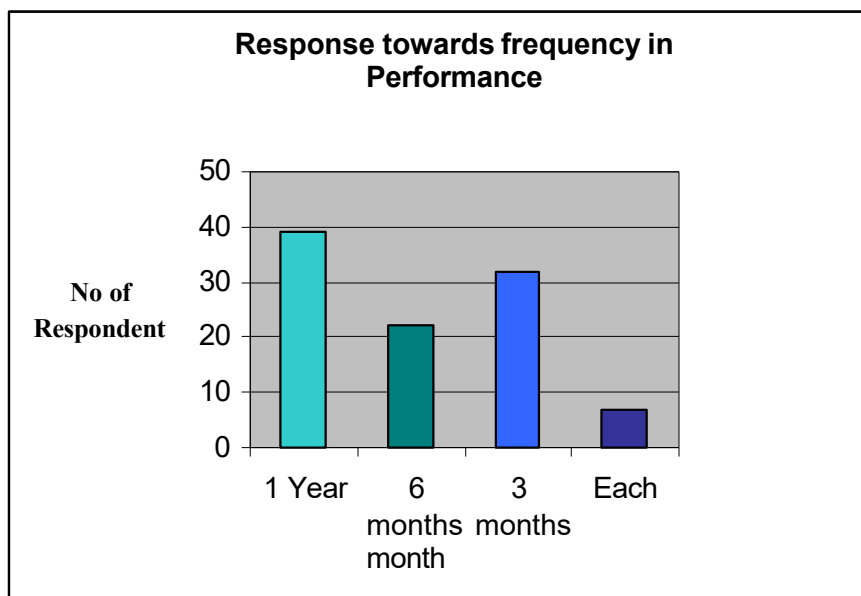
Inference: The training program strongly helps in enhancing job knowledge and individual skill.

Q11. How frequently do you think can Performance Appraisal be done?

Table No 11- showing response towards how frequently performance appraisal can be done.

particulars	No of respondents	% of respondents
I Year	39	39
6 months	22	22
3 months	32	32
Each month	7	7

Graph No 11- Response towards frequency in Performance Appraisal



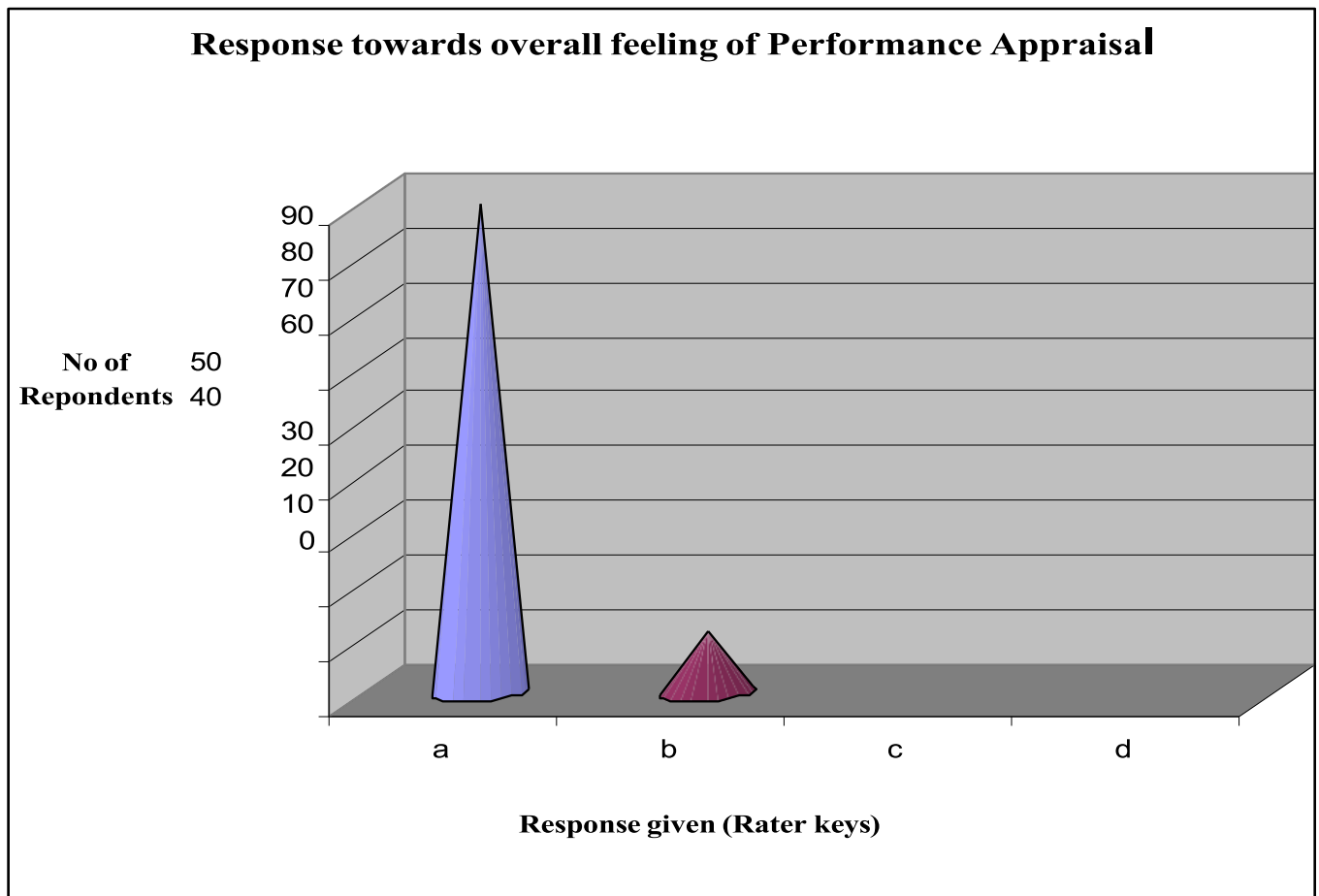
Inference: Many employees prefer annual performance appraisal system.

Q12 What is your overall feeling about the Performance Appraisal system?

Table No 12- The response towards the overall feeling about the Performance Appraisal system.

Particulars	No of respondents	% of respondents
A	89	89
b	11	11
C	0	0
d	0	0

Graph No 12- Response towards overall feeling of Performance Appraisal



Inference: The Performance appraisal is highly relevant in the present scenario as well as provides an opportunity for growth.

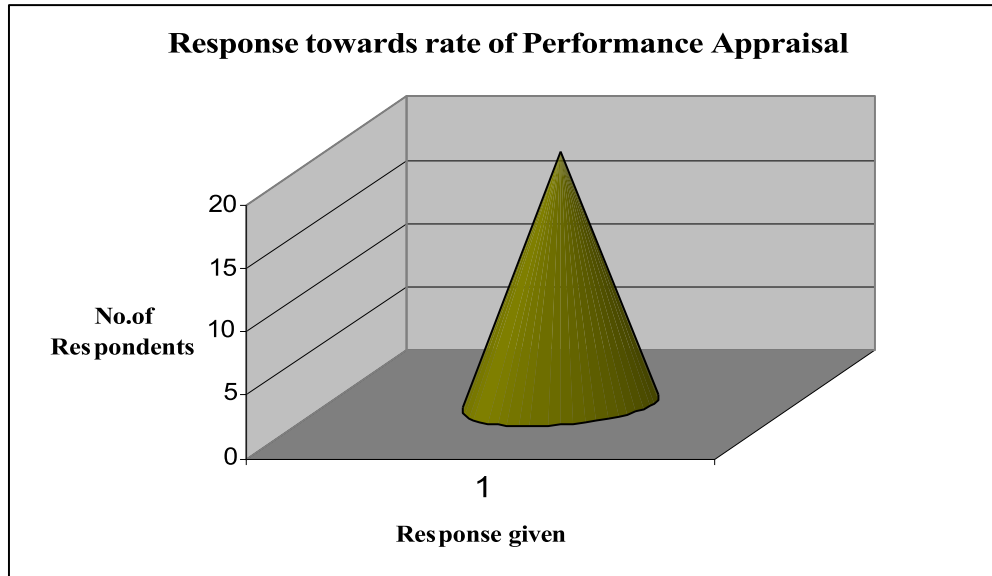
Questionnaire 2 (To the Raters)

Q1. How often your employee’s performance is appraised?

Table No1- The response towards the conduction of the rate of Performance appraisal.

Particulars	No of respondents	% of respondents
Yearly	20	100

Graph No 1- Response towards rate of Performance Appraisal



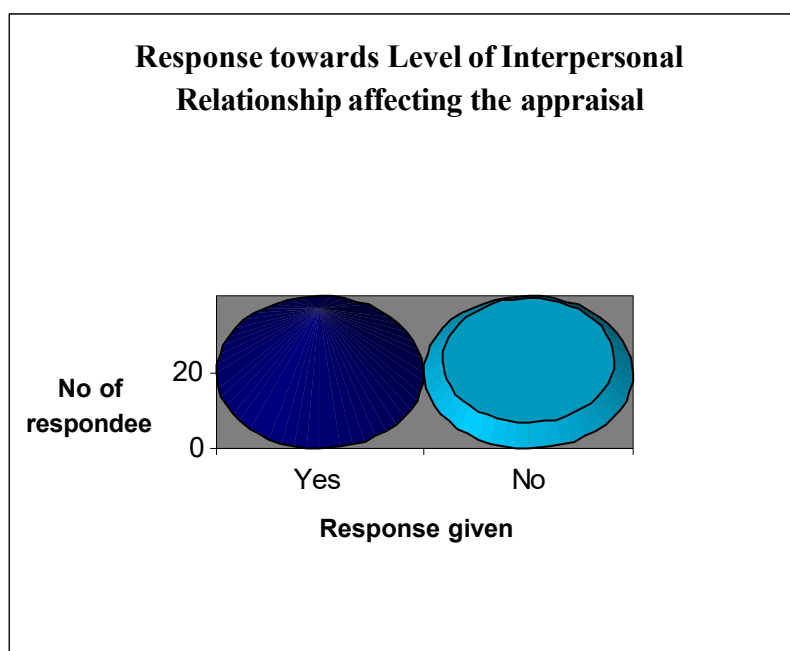
Inference: The raters are well aware of the appraisal system followed in the company.

Q2. Do you think that the level of interpersonal relationships with the appraisee influences Performance Appraisal process? If so to what extent?

Table No 2- Table showing the response towards the level of interpersonal relationships with the appraisee

Particulars	Extent	No of respondents	% of respondents
Yes	To a very large extent	10	50
	To certain extent	7	35
No		3	15

Graph No 2- Response towards Level of Interpersonal Relationship affecting the appraisal



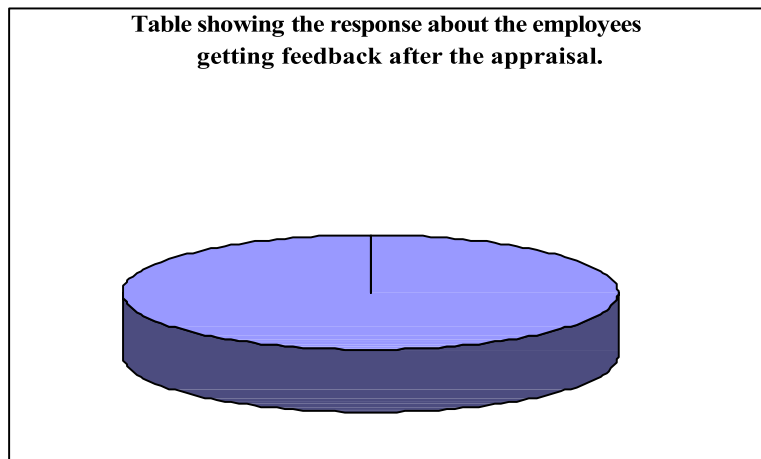
Inference: The level of interpersonal relationship influences the rating of the employees to a certain extent.

Q3. After the Performance Appraisal and feedback, do the employee’s get counseling and training, if needed to improve their performance in future?

Table No 3- Table showing the response about the employees getting counseling and training (if needed) after the performance appraisal and feedback

Particulars	No of respondents	% of respondents
Yes	20	100
No	0	0

Graph No 3 – Response about the employees getting feedback after the appraisal



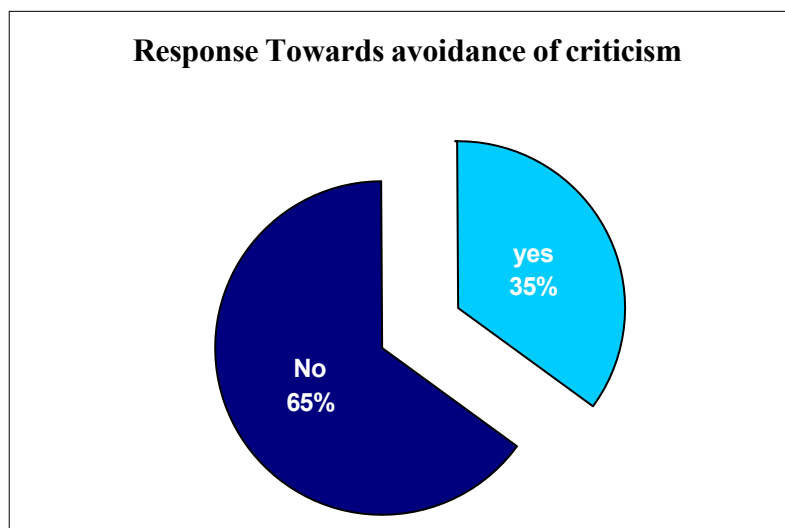
Inference: The responses were very good, indicating cent% of respondents agreeing to the fact that the employees are given counseling and training.

Q4. Do you normally avoid criticizing the appraisee?

Table no 4- showing the response towards the avoidance of criticism.

Particulars	No of respondents	% of respondents
Yes	7	35
No	13	65

Graph No. 4 Response Towards avoidance of criticism



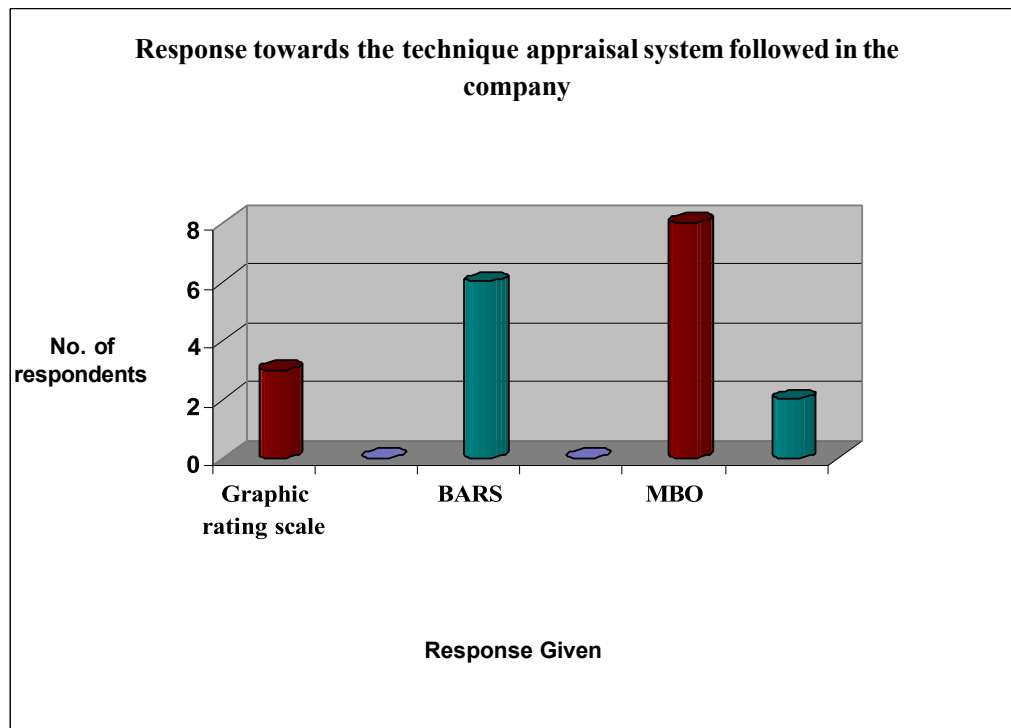
Inference: The raters give importance not only to the performance appraisal system , but also to individual employee growth.

Q5. Which one of the following techniques of evaluation do you use?

Table No 5- showing the response about the techniques of evaluation used by the raters.

Particulars	No of respondents	% of respondents
Graphic rating scale	3	15
Critical Incident Technique	0	0
BARS	6	30
Paired comparison	0	0
MBO	8	40
If any other	2	10

Graph No. 5- Response towards the technique appraisal system followed in the company



Inference: MBO and BARS are preferred techniques of evaluation

Q6. Do you encounter the following problems while doing evaluation?

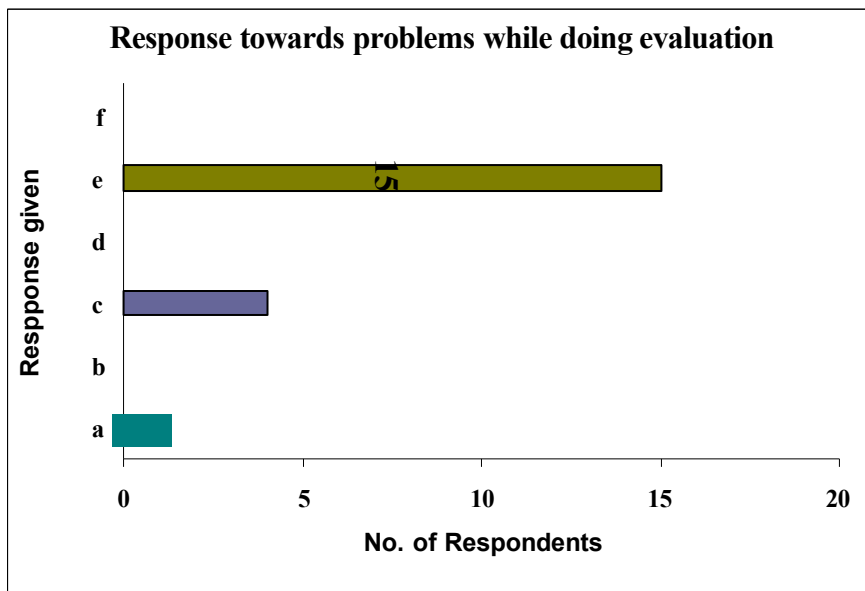
Table No. 6- showing the response towards the problems while doing evaluation.

Particulars	No. Of Respondents	% Of Respondents
a	1	5
b	0	0
c	4	20
d	0	0
e	15	75
f	0	0

Keys:

- a) Problems with standards of evaluation
- b) Halo effect
- c) Leniency or harshness
- d) Central tendency errors
- e) Recency of events errors
- f) Personal bias (stereo typing)

Graph No 6 - showing



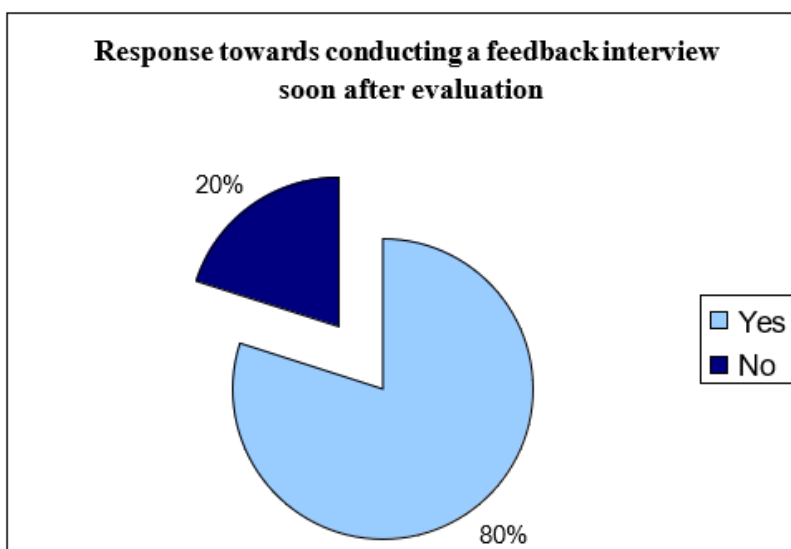
Inference: The raters agree that Recency of events errors does affect the evaluation procedure

Q7. Do you conduct feedback interviews with your employee’s soon after the evaluation?

Table No 7- showing the response towards conducting a feedback interview with ratee soon after the evaluation

Particulars	No of respondents	% of respondents
Yes	16	80
No	4	20

Graph No 7 - Response towards conducting a feedback interview soon after evaluation



Inference: Feedback is provided to the employees to improve upon their performance.

Q8. Which one of the following you advocate for evaluation?

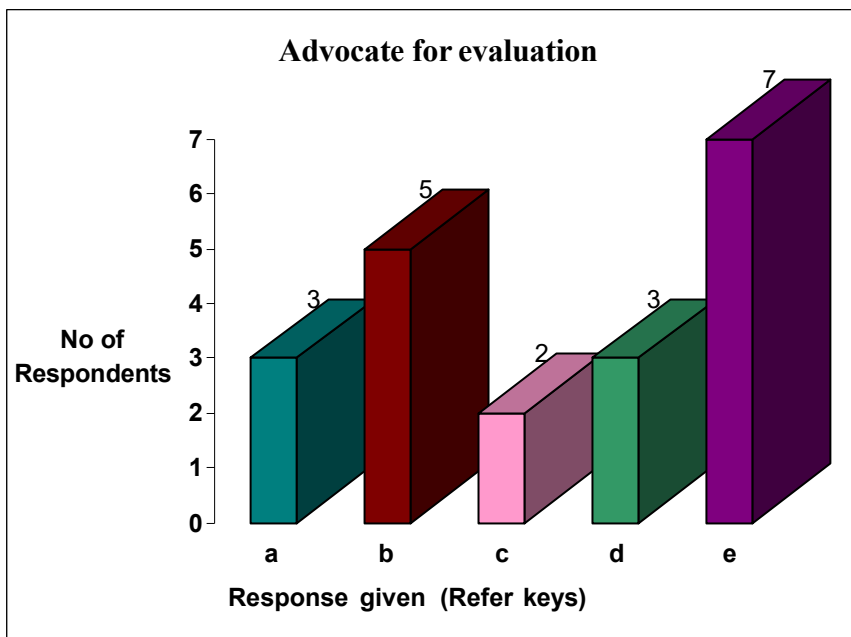
Table No 8- showing the response towards the rater advocating a method for Evaluation

Particulars	No. Of Respondents	% Of Respondents
a	2	10
b	3	15
c	2	10
d	6	30
e	7	35

Keys:

- a) Rating by a committee of several supervisors.
- b) Rating by the employee’s peers(co-workers).
- c) Rating by employee’s subordinates.
- d) Self-evaluation by the employees
- e) 360-Degree evaluation.

Graph No 8 - Advocate for evaluation



Inference: The raters favor rating by the employee’s peers (co-workers). A majority of them would like to adopt 360-degree appraisal.

LIST OF FINDINGS

- 1. The employees are aware of the existing Performance assessment System followed in the organization. This is shown in the responses both the raters and the ratees provided. 97% of those rated agreed.
- 2. Raters spend considerable amount of time in giving the feedback to the ratees about the performance.
- 3. 87% of the employees are satisfied with the Self-Appraisal process being followed in the company.
- 4. The general awareness about the traits/attributes is good. 82% of the employees also felt that the traits/attributes are sufficient
- 5. 58% of the respondents agree that performance appraisal system helps in promotions. The first preference is given to promotions.

6. The ratees have a good knowledge about who their respective Reporting and the Reviewing officers are of the respondents knew the rating officers.
7. 93% of the ratees are satisfied with the person who appraises them. This shows that company has good appraisers.
8. 93% of the respondents agreed that the support and guidance offered is sufficient which indicates that management spends extensive effort in offering help and advice to the employees.
9. The extent of effort from the management in discovering employee's potential for higher responsibility through Performance Appraisal is high.
10. The personnel consider vital the training program designed to enhance managerial skills. From the ratees' point of view, chances of an unbiased assessment are high. This means that there is no prejudice in the evaluation.
11. The training program is helpful to a great extent in improving the job knowledge and individual skills of the respondents.
12. 89% of the employees feel that the Performance appraisal is highly important in the contemporary context and also gives a chance for growth.
13. All the raters agreed on the frequency of the appraisal. It can be stated that the organization conducts performance appraisals once a year.
14. Raters feel that the level of interpersonal relationship influences the rating of the employees to a certain extent.
15. Management is responsive in designing a counseling/training program that will foster the growth of an employee's performance.
16. 65% of the raters are of the opinion that criticism is necessary. This shows that the raters give importance not only to the performance appraisal system, but also to individual employee growth.
17. 100% of the respondents feel that some rater problems do exist. 18) Feedback is provided to the employees to improve upon their performance.

18. 50% of the raters prefer MBO (management by objectives) as one of the important techniques of evaluation.

CONCLUSIONS

Performance appraisal system in the corporate context today seems to be highly satisfactory. Most of the employees are satisfied with the existing system.

The business environment was found to have a highly significant performance appraisal mechanism. Researcher is able to find out the relationship between Performance appraisal system and effectiveness of the organization.

Hypothesis testing

H₀- performance appraisal system is not important in any organizational Context.

H₁- performance appraisal system is extremely important in any Organizational context.

The level of significance was calculated based on additional calculations, It is found that: **H₁ was accepted, while H₀ was rejected**

SUGGESTIONS AND RECOMMENDATIONS

1. Performance appraisal processes should commence by emphasizing employees' strengths and achievements in order to create a positive and motivating evaluation environment.
2. Reporting officers should concentrate on employees' key performance and effectiveness areas where measurable results and contributions to organizational objectives are expected.
3. Reporting and reviewing officers should establish both short-term and long-term performance objectives for employees, ensuring that these goals are aligned with the overall strategic plans and objectives of the organization.
4. Reporting and reviewing officers should engage employees in regular discussions to assist them in setting realistic performance goals and work-related objectives that can improve productivity and professional development.
5. Human resource managers should provide employees with continuous feedback regarding their job performance through mechanisms such as performance discussions, counseling sessions, and regular review meetings to encourage improvement and employee engagement.
6. Organizations should integrate performance appraisal systems with employee reward and recognition programmes so that outstanding

performance can be appropriately acknowledged, while the effectiveness of the Performance Appraisal System (PAS) should also be evaluated based on its contribution to such programmes.

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