

**AN EMPIRICAL RELATIONSHIP BETWEEN PERFORMANCE APPRAISAL AND PROMOTION**

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**INTRODUCTION**

The key idea of performance appraisal is to establish a reward system that optimizes the efforts and contribution of leaders and employees to the general performance of their organisation. As noted by Cleveland, Murphy, and Williams (1989), the propagation of performance appraisal systems is motivated by a broad range of concerns, including promotions, terminations, salary administration, and the development of adequate competence and expertise. Performance appraisal may be useful both in the cross-sectional dimension (for comparison between individuals) and for the time dimension (for comparison of individual performance over time).

Private sector organisations cannot achieve their business objectives without taking their stakeholders' needs into consideration. Thus, they cannot manage in vacuum. This is because, the roles of customer, workers and other stakeholders in the daily administration and management of organizations are essential for the effectiveness and efficiency of every organisation. Hence, their interests and needs should be well managed in order to achieve the needed efficiencies and results for their companies. One way of accounting for the interest most private enterprises is to effectively manage the performance of their employees or workers for better results. Performance appraisal systems or practices are thus, equally exceedingly relevant to the effectiveness of private organisations.

**REVIEW OF LITERATURE**

**Azman** (2011) An Empirical Study of the Relationship between Performance Appraisal Politics and Job Satisfaction. *Acta Universitatis Danubius* No. 1/2011. This study was conducted to examine the effect of performance appraisal politics on job satisfaction using 150 usable questionnaires gathered from employees who have worked in a national postal company in Sarawak, Malaysia. In initial data analysis, the results of exploratory factor analysis confirmed that the measurement scales used in this study satisfactorily met the standards of validity and reliability analyses. Further, in hypothesis testing, the outcomes of stepwise regression analysis showed that performance appraisal politics (i.e., motivational motive and punishment motive) significantly correlated with job satisfaction. Statistically, this result confirms that performance appraisal

politics act as important predictors of job satisfaction in the studied organization. In addition, discussion, implications and conclusion are elaborated.

**ArngrimHunnes** (2012)An Empirical Study of Performance Appraisal and Career Opportunities. An Empirical Study of Performance Appraisal and Career Opportunities. An Empirical Study of Performance Appraisal and Career Opportunities. Using survey data from a large international oil company, this econometric study explores the perceptions of performance appraisal and career opportunities on one hand, and how this is dependent on variation in properties and characteristics of the local working environment on the other hand. Perceptions indicate that performance and payoff are better balanced among women than among men. Moreover, the connection between perceived achievement and appreciation is strengthened by time of service for leaders, but not for employees in non-managerial positions. Finally, perceptions of performance appraisal and career opportunities depend on characteristics of the local work environment, with positive influence from key phenomena like change capability, competency focus, trust and identity.

**BetiNasution** (2017) Analysis of Employees Performance Appraisal, Promotion and Mutationin Organizational Performance at Bank Sumut Medan, North Sumatra Province. *Advances in Social Science, Education and Humanities Research*, volume 136. The result showed that 1. The assessment of the performance has been good that is guided by performance management. Besides, it also provided coaching and counseling for employees who do not achieve the qualified performance2. Promotion held by considering performance appraisal but some are based on the element of subjectivity (like and dislike). Promotions are based on the appraisal of the performance makes employees feel satisfied because by being promoted they will get better income and prestige which affects to the employees' motivation to give the best for the organization. The implementation of employees mutations/transfer build working spirit because there is an opportunity for promotion.

**Umar**(2019)Impact of Performance Appraisal on Employee Productivity in Nigeria Breweries Plc.The *International Journal Of Business & Management*.This research study is mainly on the "impact of performance appraisal on employee's productivity". This research was conducted at Nigeria Breweries plc, as a case study that would help guarantee high productivity of products and services in the organization. It also examines the promotion, motivation, placement, training and job satisfaction of employees so as to appraise the job performance in the organization. The research study was time limited and also the cost involved in conducting the study and getting the project work done was correctly budgeted. The findings of the research survey discovered that objective and well planned high performance of employees productivity, retraining and consistent training are to be organized for the people involved in appraisal programme.

**Adwoa Benewaa Brefo-Manuh (2017)** Evaluating The Relationship Between Performance Appraisal And Organizational Effectiveness In Ghana: A Comparative Analysis Of Public And Private Organizations. *International Journal of Commerce, Economics and Management*. volume 7. Issue 5. The study results indicated that performance appraisal system positively and significantly predicted organisational effectiveness. Additionally, the results showed that performance appraisal system also has a significant positive effect on organisational effectiveness in the private sector but insignificant positive effect in the public sector. The study concluded that organisations should attach significant attention to the way and manner their performance appraisal systems are designed and managed in order to enhance the overall effectiveness of their organisations

**Kavitha M (2020)** A Study on the Various Talent Management Practices conducted by Information Technology Sector Industries Under Pandemic Circumstances – A Study with Special Reference to Companies in Chennai City. The present employees are more serious as far as abilities, pay-bundles, and furthermore work challenges. It is ideal time when the administration of the association needs to start an all encompassing methodology towards virtual learning and information sharing with an away from of up-skilling its labor force to new normals during and post-pandemic. The new typical standards will get new difficulties of another arrangement of aptitudes and capabilities also, operational cycles to resuscitate the messed up economy and business difficulties.

**Kavitha M (2022)** Performance appraisal has increasingly become part of a more strategic approach to integrating HR activities and business policies and may now be seen as a generic term covering a variety of activities through which organizations seek to assess employees and develop their competence, enhance performance and distribute rewards. The main aim of this study is to find the employee's perception towards performance appraisal and to analyze the impact on performance appraisal on staff productivity. Employees is having various perceptions about performance appraisal. There are develop skill, career growth, determine goal, determine growth, identify weakness, self-appraisal, evaluate strength of the employees. Finally, it concludes that performance appraisal shows the positive impact staff productivity.

#### **INTEND OF THE STUDY**

1. To find the factors considering promotion for employees
2. To study the relationship between performance appraisal and promotion of employees

#### **HYPOTHESES OF THE STUDY**

1. There is no significant difference among the factors considering promotion for employees
2. There is no significant relationship between performance appraisal and promotion of employees

**INFLUENCE OF PERFORMANCE APPRAISAL ON PROMOTION**

Performance Appraisal helps the supervisors to chalk out the promotion programmes for efficient employees. In this regards, inefficient workers can be dismissed or demoted in case. Performance Appraisal helps in chalking out compensation packages for employees. The following table shows that the influence of Performance appraisal on promotion.

TABLE – 1 ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Performance of work	Between Groups	.359	3	2.120	2.384	.005
	Within Groups	169.889	545	.312		
	Total	170.247	548			
Target completion	Between Groups	1.349	3	3.450	3.421	.006
	Within Groups	172.503	545	.317		
	Total	173.852	548			
Employee Morale	Between Groups	3.150	3	1.050	2.662	.047
	Within Groups	214.959	545	.394		
	Total	218.109	548			
Co-operation	Between Groups	4.124	3	1.375	5.572	.001
	Within Groups	134.454	545	.247		
	Total	138.577	548			

Source- Computed data

From the above table it is found that Performance of work (f= 2.384, P= 0.005), Target completion (f= 3.421, P= 0.006) Employee Morale (f= 2.662, P= 0.047), Co-operation (f= 5.572, P= 0.001) are statistically significant at 5 % level. This leads to a mean comparison in the descriptive table.It shows that Performance appraisal highly influenced the promotion of employees. It is influenced by co-operation, Employee morale, performance of work and target completion.

## **FINDINGS AND CONCLUSIONS**

Performance Appraisal is the systematic evaluation of the performance of employees and to understand the abilities of a person for further growth and development. The systematic procedure of performance appraisal helps the supervisors to frame training policies and programmes. It helps to analyse strengths and weaknesses of employees so that new jobs can be designed for efficient employees. It also helps in framing future development programmes. Performance Appraisal helps the supervisors to understand the validity and importance of the selection procedure. The supervisors come to know the validity and thereby the strengths and weaknesses of selection procedure. Future changes in selection methods can be made in this regard.

In this research, the researcher discussed, how the performance appraisal influenced the promotion of employees. There are four factors are considering while evaluating performance appraisal and based on that promotion are implemented by the management. The factors are co-operation, Employee morale, performance of work and target completion. Finally, it concludes that Performance appraisal positively influenced the employees to be the promotional activities done by the management.

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