IMPACT OF PERFORMANCE APPRAISAL ON JOB SATISFACTION OF IT EMPLOYEES IN BENGALURU CITY

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Abstract

This research article aims to "To measure the impact of performance appraisal attributes on the job satisfaction of IT employees". The paper applies data reduction using Exploratory Factor Analysis (EFA) on a sample of 332 respondents drawn from 6 IT companies in Bengaluru and condenses a set of 19 performance appraisal items converted into a six attributes. A model of how performance appraisal attributes affect adoption is proposed in this study. The present study proposes a model of the impact of various performance appraisal attributes on the job satisfaction. The present study proposes a model of the impact of various performance appraisal attributes on the job satisfaction. The study found that communication & co-operation, evaluation, relatedness, easiness, objectivity and growth & rewards are impacting significantly the job satisfaction. Therefore, managers of IT companies should focus on the above factors to improve job satisfaction of employees. The study investigated the impact of performance appraisal attributes on the job satisfaction. Multiple linear regression analysis highlights that communication & co-operation, evaluation, relatedness, easiness, objectivity and growth & rewards have significant impact on job satisfaction of IT employees.

Keywords: Performance Appraisal, Job Satisfaction, Communication & Co-Operation, Evaluation, Relatedness, Easiness, Objectivity and Growth & Rewards.

Introduction

Performance appraisal is considered to be a constant source of complaints and dissatisfaction for employees across geographies and industries. The closest comparison that performance appraisals receive is that of some dreaded examination where the future course of an individual's career is to be decided. It is common to find that people attribute their

companies' appraisal process to be the reason for their lack of progress in the organization and given the fact that the IT industry in India has so far generated 2.5 million direct employments, it is indeed necessary to know and understand the factors that affect the satisfaction of these employees from these performance appraisals. The study of factors relating to the satisfaction of employees with regards to Performance Appraisal has covered a number of factors related to the individual, his team, the company culture, etc. In our current context of IT performance appraisals, we find that the IT industry has a very high attrition rate. A perception is there that due to the voluminous recruitments done by the IT industry on an annual basis, performance appraisals often do not capture the proper parameters and hence there is a huge amount of voluntary attrition. Big players in the industry such as TCS (13.6%), Cognizant (17.1%), Infosys (21.0%) and Wipro (17.6%) all had above 12% attrition in the Financial Year 2015-16, which implied that for every 100 hires the companies lost more than 12 employees. Because of such high attrition rates and at the same time the contribution of the IT sector to the Indian economy, we felt the need to conduct our project on factors affecting satisfaction of employees to the appraisal process.

Review of Literature

Locke & Lathan (1990) characterize job satisfaction as pleasurable or positive enthusiastic state coming about because of the examination of one's job or job understanding. Job satisfaction is a consequence of employee's impression of how well their job gives those things that are seen as vital. It is by and large perceived in the organizational conduct field that job satisfaction is the most vital and as often as possible considered attitude.

Luthans (1998) placed that there are three vital measurements to job satisfaction: job satisfaction is a passionate reaction to a job circumstance. In that capacity it can't be seen, it must be construed; job satisfaction is frequently controlled by how well result meet or surpass desires. For example, if organizational members feel that they are working substantially harder than others in the office however, are accepting less rewards they will presumably have a negative attitude towards the work, the supervisor and additionally associates. Then again, in the event that they feel they are being dealt with extremely well and are being paid fairly, they are probably going to have uplifting attitudes towards the job. Job satisfaction causes a progression of impacts on different parts of organizational life. The impact of job satisfaction on employee can be seen in expanded profitability, reliability, and diminished truancy. The dominance of research confirmation shows that there is no solid linkage amongst satisfaction and profitability **(Locke & Lathan, 1990).**

Cole (2002) battles that job satisfaction is an every now and again concentrated subject in work and organizational writing. This is principally because of the way that numerous specialists trust that job satisfaction patterns can influence work advertise conduct and impact work efficiency, work exertion, employee truancy and staff turnover. Additionally, job satisfaction is viewed as a solid indicator of general individual prosperity and also a decent indicator of goals or choices of employees to leave a job.

Lather and Goyal (2003) studied job satisfaction amongst managers and engineers in relation to personality and psychopathology. The study revealed that personality structure of

Extremely Satisfied (ES) and Extremely Dissatisfied (ED)is similar and that of Very Satisfied (VS) and Not Satisfied (NS) is similar, only Moderately Satisfied(MS) employees showed different personality structure. **Singh (2002)** additionally assert that it is not just the engaged employees who would like to stay in the organization and have a prolonged association, the organizations also make sincere efforts to retain their engaged employees.

The study conducted by **Dhawan (2015)** shows a significant and negative effect of stressors (role expectation conflict, role erosion and role isolation) on overall job satisfaction and consequently a positive effect on overall job performance. The history of Performance Appraisals can be traced to the early 20thcentury. Employee satisfaction with regards to his work becomes a paramount feature of 20thcentury. The assessment of employee satisfaction can be traced to the 1930s where psychologists like Uhrbrock in the "Journal of Psychology" and Kornhauser in "Industrial psychology in England, Germany, and the United States" talked about attitude measurement techniques to assess factory worker attitudes. Over time this evolved and current measurement tries to understand employee satisfaction based on culture, diversity, ethnicity, relationships with colleagues, work distribution, etc. India is the world's largest sourcing destination for the IT industry, accounting 52% of US$ 124-130 billion market. IT sector employs about 10 million people in India and contributes heavily to the technical transformation of the country.

The IT/Software Industry has put India on the world stage and has projected an image of technical excellence over which a lot of our financial ratings, loans, and developmental funds depends. Every employee is qualified for an astute and cautious examination. The accomplishment of the procedure relies upon the director's eagerness to finish a helpful and target examination and on the employee's ability to react to productive proposals and to work with the chief to achieve future objectives **(Berman, 2005; Kent, 2007).** The evaluation procedure starts with the setting up of performance measures, and these principles are generally verbalized in such an expression as "A full day's work".

Fletcher (1994) asserts that, the desires a director has as far as work performance by his or her subordinates must be unambiguous in order to obviously convey them to the subordinates. This multitude of appraisal techniques led us to consider the satisfaction levels with the appraisal process in this industry and made us undertake this study to better explore, understand and analyze the evolving contours of performance management in India.

Berman (2005) affirms that performance appraisals are basic for vocation and progression arranging - for people, significant jobs, and for the organization in general. Performance appraisals are basic in staff inspiration, attitude and conduct improvement, imparting and adjusting individual and organizational points, and encouraging positive connections amongst administration and staff. They likewise give a formal, recorded, consistent survey of an individual's performance, and an arrangement for future advancement. Job performance appraisals - in whatever frame they take - are subsequently key for dealing with the performance of individuals and organizations. The study conducted by **Bernardin (2002), Ellickson (2002), and Jawahar (2006)** has also been used to understand the correlation of performance appraisal feedback with employee satisfaction.

Cleveland, Murphy, and Williams (1989) reported that there is a relationship between organizational characteristics and the uses of a performance appraisal system.

Stonich (1984) also argued that performance measurement in an organization should be in tune with its structure and culture. Since the nature of the enterprises in which each industry is engaged varies, its organizational type, business policy, internal and external environment are also usually different. The purpose of this study is to conduct a direct comparative analysis of performance appraisal system in the service and manufacturing industries.

Cardy and Dobbins (1994) performance appraisal is a process of identifying, observing, measuring and developing skills of human resource in organizations. Performance is usually judged subjectively because in many areas, performance is not open to objective assessment and managers depend upon their subjective guess. Due to this subjectivity, appraisal is often perceived as unfair and inequity based. Managers are therefore required to ensure justice in terms of criteria and process i.e. distributive justice and procedural justice. In the context of performance appraisal, distributive justice refers to the fairness of the evaluation received, whereas procedural justice refers to the fairness of the process used in determining the evaluation.

Edwards and Ewin (1996) argue that performance appraisal is the Feedback received from multiple sources, such as superiors, peers, subordinates and others has a more powerful impact on people than the feedback received from a single source, such as immediate superior of the employee concerned. Employees regard performance information from multiple sources as fair, accurate, credible and motivating. They are more likely to be motivated to change their work habits to earn the esteem of their co-workers than the respect of their supervisors.

Liza estinodaoanis (2012) reported that respondents identified some major gaps in the implementation of the company's appraisal system: no appropriate rewards are given to best employees, appraisal system was not fully explained to employees, no feedback of results and employees do not participate in the formulation of evaluation tools. It is recommended that the company should revisit and redesign its appraisal system that is align to its vision and mission towards the attainment of its organizational goals.

MK Sanyal SB Biswas (2014) used factor analysis, to find out the applications of appraisal, followed by a binary regression to understand their implications on the employee motivation. The study has found the importance of the line managers in the practice of the appraisal process also reviewed different dilemmas regarding appraisal practice and employee issues depending on company's size, business focus. The practice of appraising and its implications are also diverse in different companies throughout the industry.

Martin and Jackson (2000) in his studies stated that appraisal is also a method of enhancing employee training and development as it provides information about the strength and weakness in performance, which create a debate how to improve the performance of employee. In the end it helps the employees to understand their overall contribution in achieving organizational goals.

Tamilzharasi, Umarani (2014) they analyzed work stress and job performance evaluation of BPO employees. They observed that salary, job task, colleagues, work environment, autonomy and workload are the major variables to introduce the stress among the employees. As per their study, women get high stress than men. Proportionately more employed women reported greater work stress than men. One-third of women felt quite a bit or extremely stressed most days at work, compared to men.

Winston Creamer (1997) reviewed that effective performance appraisal systems should address clarity, and fairness, recognize productivity through rewards, and be cognizant of appraiser leadership qualities.

Research Problem

Performance Appraisal can be an effective tool for developing, assisting, resolving performance problems and motivating employees (Rao, 2004). This being the case, performance appraisal' effectiveness had always been questioned by a large population of employees. In spite of its effectiveness, only a small number of organizations use the performance appraisal process to its full potential. In many IT organizations, performance appraisal is conducted like a bureaucratic activity taken up merely to adhere to organizational policy. Apart from being non-beneficial for the organization and to employees, handling of performance appraisal process in such a manner will end up as a demotivating factor to the employees. There is no uniform methodology for adoption of performance appraisal in IT organizations. Some organizations have abolished a 'bell-curve' but some continue it, some follow a continuous appraisal system but some follow a yearly or half-yearly appraisal. The method of performance appraisal adopted by information technology companies creates different levels of job satisfaction. Employee attrition hasn't reduced despite best efforts by organizations to reinvent old performance appraisal. Is it old wine in a new bottle? A vast population of employees still complains about inadequate training to perform their duties. Employers are struggling to reskill their existing workforce to meet tomorrow's technology needs.

Performance appraisal should ideally help employers achieve this goal is the performance appraisal motivating employees to re-skill and stay relevant in the new technology space? Is the performance appraisal helping the organization find the training needs of its workforce? How are IT companies in Bengaluru utilizing the performance appraisal and meeting their training and re-skilling needs?

Numerous studies were carried out by individual researchers in India and abroad to explore the different aspects of performance appraisal and its impact on employee job satisfaction. These studies are either too general or too narrow. Hence, this study is conducted to explore the performance appraisal methods practiced by information technology industry in Bengaluru, challenges faced by employees due to the performance appraisal practiced in the organization, its role in meeting the training and re-skilling needs of employees and its impact on employee satisfaction.

Research Objectives

1. To identify the performance appraisal attributes in IT industry.
2. To measure the impact of performance appraisal attributes on job satisfaction.
3. To suggest specific strategies to HR managers of IT companies to improve job satisfaction.

Research Hypothesis

Ho1: There is no significant relationship between performance appraisal attributes and job satisfaction.

- **$H0_{1.1}$:** There is no significant relationship between relatedness on job satisfaction.
- **$H0_{1.2}$:** There is no significant relationship between objectivity on job satisfaction.
- **$H0_{1.3}$:** There is no significant relationship between growth and rewards on job satisfaction.
- **$H0_{1.4}$:** There is no significant relationship between easiness and job satisfaction.
- **$H0_{1.5}$:** There is no significant relationship between evaluation and job satisfaction.
- **$H0_{1.6}$:** There is no significant relationship between communication & co-operation and job satisfaction.

Statistical Tools

All the survey responses were coded into Microsoft Excel 2010 spreadsheet, verifying for missing data and inconsistently filled-in questionnaires. The data coded were transferred to SPSS and analyzed employing reliability analysis, defined variables and, all sorts of descriptive statistics of the responses were calculated. Testing the hypotheses was done, using SPSS 20.
The following statistical tools were used for data analysis:

- Reliability & Validity Test
- Exploratory Factor Analysis (EFA) and
- Multiple Linear Regression

Research Methodology

Sampling Procedure for Research

By intent, this is a descriptive Study, involving fact-finding investigations duly supplemented by adequate interpretation. It focuses on specific aspects/dimensions of the problem being studied. Designed to gather descriptive information, it provides information for formulating more sophisticated studies. By method, this is a fact-finding study. Hence data has been collected directly from sample respondents. Personal interviews were held with the respondents for the purpose. The facts collected from the respondents during the interview have been recorded in the structured interview schedules specially drafted for the purpose.

The data was collected from a total of six IT companies TCS, Infosys, Wipro, Tech Mahindra and HCL which were selected on the based on their revenue in the year 2023. The study covered the unit of these IT sector located in Bengaluru. 60 sample respondents were selected from each company based on systematic random sampling method. Totally 360 respondents were interviewed. Researcher ignored 28 incomplete questionnaires. Hence, the

sample size of this study is 332 IT employees. The perceptions towards performance appraisal are measured on Likert's five-point scale of "Strongly agree, Agree, Neutral, Disagree and Strongly disagree".

Data Synthesis
Reliability and Validity Test

Table: 1. Case Processing Summary

		N	%
Cases	Valid	332	100.0
	Excluded[a]	0	.0
	Total	332	100.0

a. Listwise deletion based on all variables in the procedure.

Table: 2. Reliability Statistics

Cronbach's Alpha	N of Items
.884	19

The internal consistency of the questionnaire of 19 items with a value of the Cronbach's Alpha is 0.884, which shows that data is 88.4 per cent reliable and valid.

Exploratory Factor Analysis

Table: 3. KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.868
Bartlett's Test of Sphericity	Approx. Chi-Square	2676.246
	df	171
	Sig.	0.000

KMO-Bartlett's test needs to be used to determine the data's eligibility prior to factor analysis. Multivariate normality and sampling adequacy are measured by this test. In this study, the KMO value is $0.868 > 0.5$, indicating that the sample taken is sufficient. A value of $0.000 < 0.05$ on the Bartlett's Test of Sphericity indicates that multiple variables are normal. As a result, Factor Analysis is regarded as an appropriate method for further data analysis.

Eigen Values

The initial components are the numbers of the variables used in the Factor Analysis. However, not all the 19 items will be retained. In the present research, only the 6 factors will be extracted by combining the relevant items. The Eigenvalues are the items of the factors. The total column contains the Eigenvalue. The first factor will always account for the most variance and hence have the highest Eigenvalues. The next factor will account for as much of the leftover variance as it can and the same will continue till the last factor. The percentage of variance represents the per cent of total variance accounted for by each factor and the cumulative percentage gives the cumulative percentage of variance account by the present and the preceding

factors. In the present research, the first 8 factors explain 70.160 per cent of the variance. The rotation sums of the squared loading represent the distribution of the variance after the varimax rotation with Kaiser Normalization. The varimax rotation tries to maximize the variance of each of the factor.

Table: 4.Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	6.350	33.419	33.419	6.350	33.419	33.419	3.191	16.796	16.796
2	2.136	11.244	44.663	2.136	11.244	44.663	2.670	14.055	30.850
3	1.520	8.002	52.664	1.520	8.002	52.664	2.061	10.847	41.698
4	1.324	6.971	59.635	1.324	6.971	59.635	1.832	9.642	51.340
5	1.126	5.924	65.559	1.126	5.924	65.559	1.812	9.536	60.876
6	.874	4.601	70.160	.874	4.601	70.160	1.764	9.285	70.160
7	.762	4.012	74.172						
8	.618	3.255	77.427						
9	.562	2.955	80.382						
10	.506	2.661	83.043						
11	.486	2.558	85.601						
12	.462	2.431	88.032						
13	.426	2.240	90.272						
14	.377	1.987	92.259						
15	.358	1.883	94.142						
16	.343	1.803	95.945						
17	.300	1.581	97.526						
18	.271	1.427	98.953						
19	.199	1.047	100.000						

Extraction Method: Principal Component Analysis.

On the basis of Varimax Rotation with Kaiser Normalization, 6 factors have been extracted. Each factor is constituted of all those variables that have factor loadings greater than 0.5. 19 variables were clubbed into 6 factors. 6 factors were extracted from the 19 variables used in the study. These 6 extracted factors explained 70.160 per cent of the variability in performance appraisal attributes of IT employees.

Rotated Component Matrix

The Rotated Component Matrix represents the rotated factor loadings, which are the correlations between the variables and the factors. The factor column represents the rotated factors that have been extracted out of the total factor. These are the core factors, which have been used as the final factor after data reduction.

Table: 5. Rotated Component Matrix

Factor No	Item Covered	Factor Loading Value	Name of the Factor
1	Performance appraisal is job related (e.g. ability to	.786	**Relatedness**

	implement organizational plans & adherence to regulations and procedures).		
	Performance appraisal helps in identification of training and development needs.	.760	
	Performance appraisal helps in identification of ideas for improvement of employees performance.	.752	
	Performance appraisal will not allow personal judgement.	.743	
	Performance appraisal is ethical.	.591	
2	Performance appraisal used in the company is fair and objective.	.849	**Objectivity**
	Performance rating are accurate based on actual performance.	.808	
	Performance appraisal directs employee to work towards the target.	.776	
	Performance appraisal facilitates employee's individual growth and development.	.550	
3	Performance appraisal helps in improving employees retention.	.849	**Growth and Rewards**
	Performance appraisal evaluates individual performance of the employees.	.736	
	Performance appraisal is simple and easy to use by evaluators.	.701	
4	Performance appraisal helps in developing effective communication between appraiser and appraise.	.786	**Easiness**
	Performance appraisal process encourages co-operation and team spirit.	.699	
	The targets set by the performance appraisal is measurable.	.607	
5	Performance appraisal is used to decide on promotions, salary and rewards.	.757	**Evaluation**
	Performance appraisal allows effective supervision.	.738	
6	Performance appraisal evaluates overall performance of an employee.	.800	**Communication and Co-operation**
	Performance appraisal supports to set standards for future performance of employees.	.693	
Extraction Method: Principal Component Analysis.			
Rotation Method: Varimax with Kaiser Normalization.			
a. Rotation converged in 8 iterations.			

The above matrix gives the correlation of the variables with each of the extracted factors. Usually, each of the variables is highly loaded in one factor and less loaded towards the other

factors. To identify the variables, included in each factor, the variable with the maximum value in each row is selected to be part of the respective factor. The values have been high lightened in each of the rows to group the 19 items into 6 core factors excluding low loading items.

Multiple Linear Regression

In order to access the impact of independent variables on job satisfaction as a dependent variable, enter a method of multiple linear regressions was applied.

Table: 6. Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.725[a]	.526	.518	.662	2.020

a. **Predictors:** (Constant), Communication and Co-operation, Evaluation, Relatedness, Easiness, Objectivity, Growth and Rewards

b. **Dependent Variable:** Job Satisfaction

R: R is the multiple correlations co-efficient, and its value ranges from -1 to +1. Since the R-esteem is 0.725 truly intends that there is a high sure connection between the performance appraisal attributes and job satisfaction of IT employees. **R^2:** It represents the coefficient of assurance which lies somewhere in the range of 0 and 1. Since the R square value is 0.526, the IT employees' job satisfaction accounts for 52.6 percent of the explained variation. The **Durbin-Watson figure:** The Durbin-Watson statistic value is 2.020, according to table 6. It's closer to the average of 2. Therefore, the assumption almost certainly has been fulfilled.

Table: 7. ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	158.414	6	26.402	60.180	.000[b]
	Residual	142.586	325	.439		
	Total	301.000	331			

a. Dependent Variable: Job Satisfaction

b. Predictors: (Constant), Communication and Co-operation, Evaluation, Relatedness, Easiness, Objectivity, Growth and Rewards

The regression model's F statistics are statistically significant at 0.05 levels, as shown in ANOVA table 7, indicating the regression equation's goodness of fit. There is statistical significance in the model).

Table: 8. Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.678	.162		4.197	.000
	Relatedness	.146	.040	.181	3.615	.000
	Objectivity	.076	.049	.085	1.538	.000
	Growth and Rewards	.223	.046	.270	4.878	.000

Easiness	.176	.039	.205	4.551	.000
Evaluation	.099	.037	.118	2.640	.004
Communication & Co-operation	.125	.038	.147	3.283	.001

a. Dependent Variable: Job Satisfaction

The table 8, denotes standardized regression coefficients that indicate the level and direction of the impact. It also includes t and significant values to confirm the measured-hypothesis formulation. significant impact of dimensions of performance appraisal attributes on job satisfaction of IT employees. The multiple regression equation of this model is: $Y = MX + C$

$$Y \ (Job \ Satisfaction)$$
$$= \ 0.141(\text{Relatedness}) + 0.085 \ (\text{Objectivity}) + 0.270 \ (\text{Growth and Rewards})$$
$$+ 0.205 \ (\text{Easiness}) + 0.118(\text{Evaluation})$$
$$+ 0.147 \ (\text{Communication \&Co} - \text{operation}) + 0.678 \ (Constant)$$

$H0_{1.1:}$ There is no significant relationship between relatedness on job satisfaction.

The positive effect of relatedness on job satisfaction is shown by the Beta value of 0.141in Table 8. Value and sig have been 3.615 since t. value is 0.000, or less than 0.05, so relatedness have a significant impact on IT employees' job satisfaction. As a result, the null hypothesis $H0_{1.1:}$ stating that t There is no significant relationship between relatedness on job satisfaction is rejected.

$H0_{1.2:}$ There is no significant relationship between objectivity on job satisfaction.

The positive effect of objectivity on job satisfaction is shown to be positive by the Beta value of 0.085 in Table 8. Value and sig have been 1.538 since t. value is 0.000, which is less than 0.05, so objectivity has a big effect on IT employees' job satisfaction. $H0_{1.2:}$ stating that there is no significant relationship between objectivity on job satisfaction is rejected.

$H0_{1.3:}$ There is no significant relationship between growth and rewards on job satisfaction.

The positive impact that being able to growth and rewards on job satisfaction is shown by the Beta value of 0.270 in Table 8. Value and sig have been 4.878 since t. value is 0.000, or less than 0.05, so IT employees' job satisfaction is significantly influenced by their growth and rewards. Hence, null hypothesis $H0_{1.3:}$ stating that there is no significant relationship between growth and rewards on job satisfaction is rejected.

$H0_{1.4:}$ There is no significant relationship between easiness and job satisfaction.

With a Beta value of 0.205 in Table 8, evaluation has a positive effect on job satisfaction. Value and sig have been 4.551 since t. value is 0.000, which is less than 0.05, indicating that IT employees' job satisfaction is significantly influenced by easiness. Hence, null hypothesis $H0_{1.4:}$ stating that there is no significant relationship between easiness and job satisfaction is rejected.

H0$_{1.5}$: *There is no significant relationship between evaluation and job satisfaction.*

With a Beta value of 0.118 in Table 8, evaluation has a positive effect on job satisfaction. Value and sig have been 2.640 since t. value is 0.004, which is less than 0.05, indicating that IT employees' job satisfaction is significantly influenced by evaluation. Hence, null hypothesis H0$_{1.5:}$ stating that there is no significant relationship between evaluation and job satisfaction is rejected.

H0$_{1.6}$: *There is no significant relationship between communication & co-operation and job satisfaction.*

With a Beta value of 0.147 in Table 8, communication & co-operation has a positive effect on job satisfaction. Value and sig have been 3.283 since t. value is 0.001, which is less than 0.05, indicating that IT employees' job satisfaction is significantly influenced by communication & co-operation. Hence, null hypothesis H0$_{1.6:}$ stating that there is no significant relationship between communication & co-operation and job satisfaction is rejected.

Histogram and P-P plot for Normality test
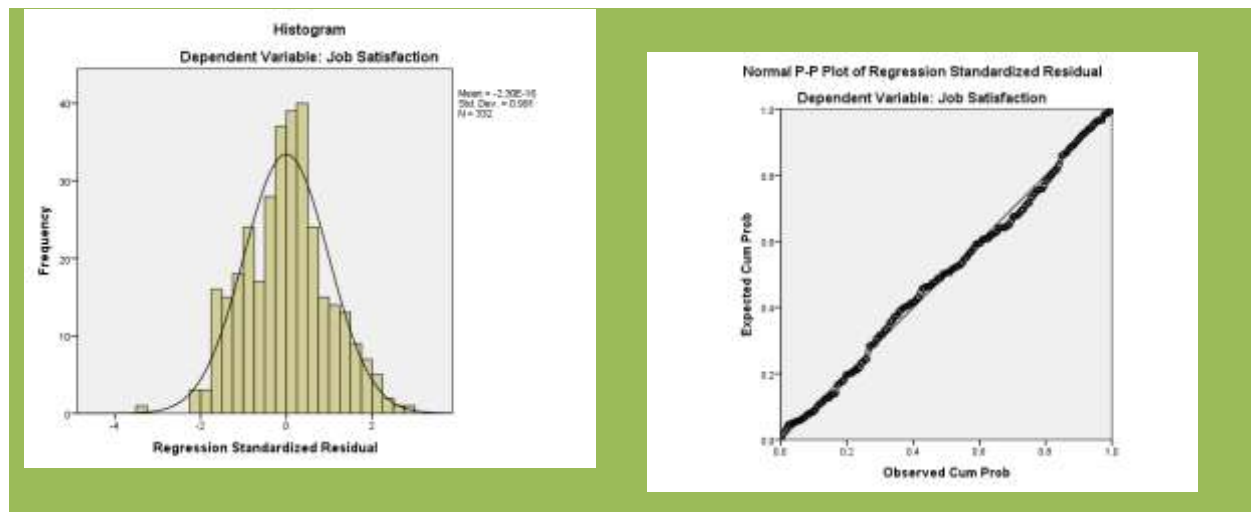
A normalized histogram of the residuals distribution is depicted in figure 1. When the points plotted match the diagonal line on a normal P-P plot, the distribution is said to be normal.

Practical Implication

The present study proposes a model of the impact of various performance appraisal attributes on the job satisfaction. The study found that communication & co-operation, evaluation, relatedness, easiness, objectivity and growth & rewards are impacting significantly the job satisfaction. Therefore, managers of IT companies should focus on the above factors to improve job satisfaction of employees.

Conclusion

The study investigated the impact of performance appraisal attributes on the job satisfaction. Multiple linear regression analysis highlights that communication & co-operation, evaluation, relatedness, easiness, objectivity and growth & rewards have significant impact on job satisfaction of IT employees.

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