

Ramakrishna K (2026). *A Study on the Effectiveness of the Existing Performance Appraisal System in the It Industry. International Journal of Multidisciplinary Research & Reviews, 5(si2). 31-36.*



**INTERNATIONAL JOURNAL OF
MULTIDISCIPLINARY RESEARCH & REVIEWS**

journal homepage: www.ijmrr.online/index.php/home

**A STUDY ON THE EFFECTIVENESS OF THE EXISTING
PERFORMANCE APPRAISAL SYSTEM IN THE IT INDUSTRY**

Ramakrishna K

Assistant Professor, Rural College, Kanakapura, Karnataka, India.

How to Cite the Article: Ramakrishna K (2026). *A Study on the Effectiveness of the Existing Performance Appraisal System in the It Industry. International Journal of Multidisciplinary Research & Reviews, 5(si2). 31-36.*



<https://doi.org/10.56815/ijmrr.v5si2.2026.31-36>

Keywords	Abstract
<i>Performance appraisal, Employee development, IT industry, Motivation, Career growth</i>	Performance appraisals play a crucial role in evaluating and enhancing employee performance in the IT industry. This study examines the effectiveness of the current performance appraisal system, assessing its role in motivation, career development, and organizational growth. A performance appraisal is a structured approach used to measure an employee's contributions based on quality, quantity, cost, behavior, and time. It involves feedback from self-evaluation, peers, subordinates, and superiors to ensure a comprehensive review. This study aims to identify key factors that drive employee performance, assess awareness of appraisal techniques among employees, and analyze the expectations and necessity of a well-structured performance appraisal system within IT organizations.

1. INTRODUCTION

Performance appraisal is an essential tool in human resource management, designed to evaluate and enhance employee productivity. It serves as a structured method to assess an employee's contributions over a specific period, providing valuable feedback and fostering professional growth. A well-executed appraisal process enables organizations to recognize strengths, address weaknesses, and align individual aspirations with corporate goals.

This study aims to analyze the effectiveness of performance appraisal systems in IT organizations, focusing on their impact on motivation, job satisfaction, and career development. By exploring



**The work is licensed under a Creative Commons Attribution
Non Commercial 4.0 International License**

Ramakrishna K (2026). *A Study on the Effectiveness of the Existing Performance Appraisal System in the It Industry. International Journal of Multidisciplinary Research & Reviews, 5(si2). 31-36.*

employees' perceptions of these systems, this research seeks to determine whether current methods are effective or require improvement.

2. LITERATURE REVIEW

Devries, Morrison, Shullman, and Gerlach (2022) define performance appraisal as a structured evaluation method used to assess employee behavior and accomplishments within a set timeframe. Denhardt (2023) describes it as a crucial tool for tracking an individual’s professional progress. Robert G. (2023) emphasizes that democratic performance appraisals enhance fairness and employee engagement, while Eichel and Bender (2024) highlight the shift from management-centric evaluation to a more employee-focused approach. Stonich (2024) suggests that performance appraisal systems should align with organizational culture and industry-specific requirements.

3. OBJECTIVES OF THE STUDY

- To assess the effectiveness of the current performance appraisal system in IT companies
- To identify key factors that contribute to employee performance and organizational growth.
- To evaluate employee awareness of performance appraisal techniques.
- To identify strengths and weaknesses in the existing appraisal system.
- To understand employee expectations regarding performance appraisals and recommend improvements.

4. RESEARCH METHODOLOGY

Sample Size:

- The study includes a sample size of 140 IT employees.

Data Sources:

- The study uses both primary data (collected through questionnaires) and secondary data (obtained from previous research and literature reviews).

Sampling Technique:

- The research employs a convenience sampling method.

Structure of the Questionnaire:

- The questionnaire consists of direct questions, close-ended questions, and multiple-choice questions.

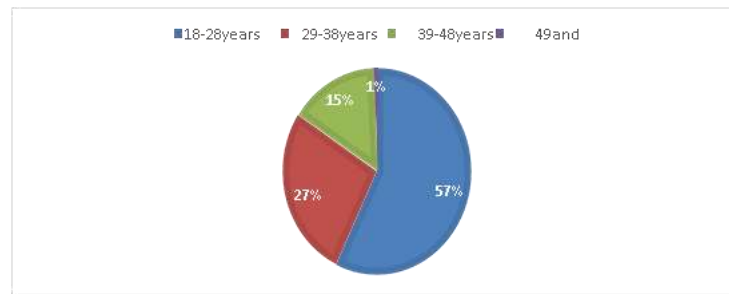
➤ **DATAANALYSIS AND INTERPRETATION**

I. Age of the Respondents

Year	No. of Respondents	Percentage
18 – 28 years	80	57%
29 – 38 years	38	27%
39 – 48 years	21	15%
49and above	1	1%
Total	140	100



Ramakrishna K (2026). *A Study on the Effectiveness of the Existing Performance Appraisal System in the It Industry. International Journal of Multidisciplinary Research & Reviews, 5(si2). 31-36.*

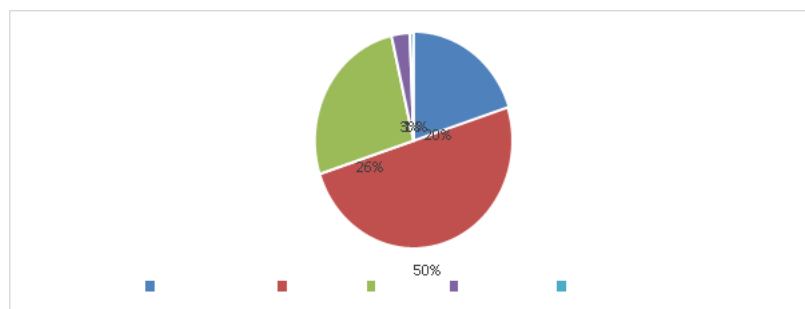


Inference:

Majority (57%) of the respondents are in the age group of 18-28 years old.

II. Respondent’s satisfaction on the existing performance appraisal system that gives motivation and job satisfaction

Particulars	No. of Respondents	Percentage
Highly satisfied	28	20%
Satisfied	70	50%
Neutral	37	26%
Dissatisfied	4	3%
Highly dissatisfied	1	1%
Total	140	100



Inference:

Majority (50%) of the respondents are satisfied that the performance appraisal would help in motivation and job satisfaction.

CHI-SQUARE TEST

III. Showing Chi-Square test between age of the respondents and the existing performance appraisal system that gives motivation and job satisfaction

Chi-square tests



Ramakrishna K (2026). *A Study on the Effectiveness of the Existing Performance Appraisal System in the It Industry. International Journal of Multidisciplinary Research & Reviews, 5(si2). 31-36.*

	Value	df	Asymp.Sig.(2-sided)
PearsonChi-Square	25.353 ^a	12	.013
LikelihoodRatio	26.101	12	.010
NofValid Cases	140		
a.12cells (60.0%) have expectedcount lessthan5.The minimum expectedcountis.01.			

Inference:

The results of the “Pearson Chi-Square” say that $\chi (24) = 25.353, p = 0.001$. This tells us that there is a statistically significant association between age of the respondents and the existing performance appraisal system that gives motivation and job satisfaction.

Showing Chi-Square between age of the respondents and the satisfaction with the communication of the strengths, weakness and suggestions to improve performance

Chi-SquareTests

	Value	Df	Asymp. Sig.(2-sided)
PearsonChi-Square	11.325 ^a	9	.254
LikelihoodRatio	10.271	9	.329
NofValid Cases	140		
a.9cells (56.3%) have expectedcountlessthan5.The minimum expectedcountis .01.			

Inference:

The results of the "PearsonChi-Square" saythat $\chi (9) =11.32, p=0.001$. This tells us that there is a statistically significant association between age of the respondents and the satisfaction with the communication of the strengths, weakness and suggestions to improve performance.

ANOVA

Hypothesis set between department of the respondents and the satisfaction with the communication of the strengths, weakness and suggestions to improve performance

ANOVA					
Efficient					
	Sum of Squares	Df	Mean Square	F	Sig.
BetweenGroups	4.811	3	1.604	.763	.517



Ramakrishna K (2026). *A Study on the Effectiveness of the Existing Performance Appraisal System in the It Industry. International Journal of Multidisciplinary Research & Reviews, 5(si2). 31-36.*

WithinGroups	285.875	136	2.102		
Total	290.686	139			

Interpretation:

The significance level is 0.517, which is more than 0.005, therefore, there is no statistically significant relationship between department of the respondents and the satisfaction with the communication of the strengths, weakness and suggestions to improve performance.

5. FINDINGS

- 52% of respondents are male.
- 50% of employees are satisfied with the performance appraisal system.
- The first Chi-Square test confirms a significant relationship between age and perceived appraisal effectiveness.
- The second Chi-Square test indicates a link between age and satisfaction with feedback communication.
- The ANOVA test finds no significant association between department and satisfaction with performance communication.

6. CONCLUSION AND RECOMMENDATIONS

This study confirms that performance appraisals play a crucial role in employee motivation and organizational growth. Most employees acknowledge the appraisal system's role in identifying strengths and weaknesses, fostering career development, and ensuring alignment with organizational goals. However, improvements can be made in areas such as feedback communication and clarity of evaluation criteria.

Recommendations:

1. **Enhance Feedback Mechanisms:** Organizations should establish structured feedback sessions to ensure employees receive constructive guidance.
2. **Improve Transparency:** Clear communication about evaluation criteria can boost employee confidence in the system.
3. **Implement Continuous Performance Tracking:** Instead of relying solely on annual reviews, periodic assessments can provide more real-time insights into employee performance.
4. **Encourage Employee Involvement:** Involving employees in the appraisal process fosters a sense of ownership and commitment to professional growth.

By addressing these areas, IT organizations can develop a more effective performance appraisal system that benefits both employees and the organization as a whole.

7. AUTHOR(S) CONTRIBUTION

The writers affirm that they have no connections to, or engagement with, any group or body that provides financial or non-financial assistance for the topics or resources covered in this Manuscript.



Ramakrishna K (2026). *A Study on the Effectiveness of the Existing Performance Appraisal System in the It Industry. International Journal of Multidisciplinary Research & Reviews, 5(si2). 31-36.*

8. CONFLICTS OF INTEREST

The authors declared no potential conflicts of interest with respect to the research, authorship, And/or publication of this article.

9. PLAGIARISM POLICY

All authors declare that any kind of violation of plagiarism, copyright and ethical matters will\ Take care by all authors. Journal and editors are not liable for aforesaid matters.

10. SOURCES OF FUNDING

The authors received no financial aid to support for the research.

REFERENCES

- [1] [Armstrong & Baron \(1998\). Performance Management: The New Realities. London: Institute of Personnel and Development.](#)
- [2] [Daniels, A. \(1999\). Bringing Out the Best in People. McGraw-Hill.](#)
- [3] [Murphy, K., & Cleveland, J. \(1991\). Performance Appraisal: An Organizational Perspective. Allyn and Bacon.](#)
- [4] [Cleveland, J., Murphy, P., & Williams, R. \(1989\). Multiple Uses of Performance Appraisal: Prevalence and Correlates. Journal of Applied Psychology, 74\(1\), 130-135.](#)
- [5] [Jackson, S & Schuler \(2002\) "Managing Human Resources through Strategic Partnership" \(8th edn\). Canada; Thompson.](#)
- [6] [Allan, P., and Roseberg, S. 1986 An assessment of merit pay administration under New York City's managerial performance evaluation system: three years of experience. Public Personnel Management 15:297-309](#)
- [7] [Abowd, J. 1990 Does performance-based management compensation affect corporate performance? Industrial and Labor Relations Review 43\(3\) 52-73](#)
- [8] [Brett, J. 1986 Commentary on procedural justice papers. Pp. 81-90 in R. Lewicki, B. Sheppard, and M. Bazerman, eds., Research on Negotiation in Organizations.](#)
- [9] [Murphy, K., and Cleveland, J. 1991 Performance Appraisal: An Organizational Perspective. Boston: Allyn and Bacon.](#)
- [10] [Cleveland, J., Murphy, P., and Williams, R 1989 Multiple uses of performance appraisal: Prevalence and correlates, Journal of Applied Psychology 74\(1\):130-135](#)

