



PERCEPTION OF EMPLOYEE ABOUT PERFORMANCE APPRAISAL SYSTEM AND ITS IMPACT ON EMPLOYEE JOB SATISFACTION IN BANKING SECTOR OF PAKISTAN

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Abstract

Evaluation of employees' performance is an important yet crucial part of management's job but still it is highly needed to assess if employee performance is on track. Similarly, it is imperative to analyze and critically assess the evaluation system itself. It is important because if there is a politicized or unfair performance appraisal system in any organization, it can never assess the performance of employees in transparent manner. Major aim of this research study was to assess the impact of fairness in performance appraisal system on employee job satisfaction in banking sector of Pakistan. Increased rate of employee dissatisfaction from management practices and turnover in banking sector prompted to conduct this research study.

Descriptive study was conducted in this research by using quantitative search method. Data was gathered with the help of structured questionnaire from calculated sample of 03 categorized banks (Faysal Bank Limited, National Bank of Pakistan & Bank Islami). Respondents of the study were middle level bank staff including employees and middle line managers. Questionnaires were then compiled in Excel sheet to compile all the data and then to analyze the data obtained from these 03 banks, correlation tests were conducted by using SPSS.

Results obtained from responses and statistic analysis clearly stated that nearly every individual employee in bank has an impact on their job satisfaction from fair / politicized performance appraisal system. It was also concluded that there are different factors related to performance appraisal system that have an impact on employee job satisfaction like the perception an employee has regarding fairness of system, manager's attitude towards employee appraisal and involving employees in the appraisal system by informing them with every happening.

Results obtained from this research study will benefit policy makers and management of banks & other organizations as well to understand the impact of mishandled, politicized or weak performance appraisal system on the job satisfaction of their workforce. This study objectively stated that fairness in appraisal system and employee job satisfaction goes hand by hand.