iJRASET
International Journal For Research in Applied Science and Engineering Technology



INTERNATIONAL JOURNAL FOR RESEARCH

IN APPLIED SCIENCE & ENGINEERING TECHNOLOGY

Volume: 13 **Issue:** VII **Month of publication:** July 2025

DOI: https://doi.org/10.22214/ijraset.2025.73077

www.ijraset.com

Call: 08813907089 | E-mail ID: ijraset@gmail.com

International Journal for Research in Applied Science & Engineering Technology (IJRASET)
ISSN: 2321-9653; IC Value: 45.98; SJ Impact Factor: 7.538
Volume 13 Issue VII July 2025- Available at www.ijraset.com

An Investigative Study on the Relationship Between Performance Appraisal and Employee Engagement in N.P. ENTERPRISES

Dr. M.P.KUMARAN[1], Ms. R. SHAKTHI[2]
[1]*Assistant Professor (Department of Commerce) Dr. N.G.P Arts and Science College, Coimbatore, India*
[2]*Student of Commerce (Department of Commerce) Dr. N.G.P Arts and Science College, Coimbatore, India*

Abstract: ***In the contemporary business environment, enhancing productivity, employee satisfaction, and talent retention has become increasingly vital. Performance appraisal and employee engagement are two interrelated concepts that significantly influence organizational success. This study explores the relationship between performance appraisal systems and employee engagement, particularly in contexts where formal appraisal mechanisms are lacking. By investigating various appraisal methods and analyzing employee perceptions, the research aims to assess whether structured evaluations enhance engagement or inadvertently contribute to disengagement.Furthermore, the study examines the consequences of the absence of performance appraisals on organizational performance, including challenges in recognizing talent, addressing underperformance, and delivering constructive feedback. Employing both qualitative and quantitative methodologies, the research provides practical insights and recommendations for designing effective appraisal systems that foster a motivated and committed workforce. Ultimately, the study seeks to determine whether performance appraisals serve as a critical driver of engagement or if alternative factors can equally sustain employee motivation across diverse organizational settings.***

I. INTRODUCTION

In today's fast-paced and competitive business landscape, organizations are constantly seeking innovative ways to boost productivity enhance job satisfaction and retain top talent. Two crucial elements that have garnered significant attention in this pursuit are performance appraisal and employee engagement. Despite the growing body of literature exploring the interplay between two constructs these remains a notable gap in understanding how performance appraisal systems influence employee engagement, particularly in organizations where formal appraisal mechanisms are absent.

This study investigates the relationship between performance appraisal and employee engagement it seeks to explore how appraisal systems influence overall engagement with their work. By examining appraisal methods and employee perceptions, this research aims to provide insights into whether performance evaluations contribute to more engaged workforce or lead to unintended consequences such as disengagement and dissatisfaction.

Furthermore, it will explore the potential implications of the absence of performance appraisal on organizational outcomes. Without a structured system for evaluating and recognizing employee performance, organizations may face challenges in identifying high performers, addressing underperformance and providing meaningful feedback.

II. STATEMENT OF THE PROBLEM

The problem addressed in the investigative study revolves around understanding the relationship between performance appraisal and employee engagement within a company. Despite the widespread use of performance appraisals to evaluate and improve employee performance, there is limited clarity on how these appraisals impact employee engagement level. Low engagement can lead to decreased productivity, higher turnover and reduced organizational effectiveness. By addressing these issues, the study aims to provide actionable insights for enhancing employee satisfaction and organizational performance.

III. SCOPE OF THE STUDY

This study explores the relationship between appraisal and employee engagement within a company .It examines how appraisal influences employee motivation, job satisfaction and commitment. The study analyzes the impact of performance appraisal practices and key engagement factors. It also considers the role of organizational culture and leadership in shaping appraisal effectiveness.

©IJRASET: All Rights are Reserved

The findings will help the appraisal systems to enhance employee engagement and performance. The study will be conducted in N.P.Enterprises and will target specific population.

IV. OBJECTIVES OF THE STUDY

To analyze the impact of performance appraisal practices on employee engagement.
To determine how factors influence employee motivation and satisfaction.
To explore the role of appraisal in fostering organizational commitment.
To understand the key drivers of employee engagement.

V. RESEARCH METHODOLOGY

Research Methodology is a way that helps to systematically solve a research problem. It is a science of studying how research is done scientifically. The study conducted is correlational in nature and it aimed to evaluate 'An investigative study on the relationship between performance appraisal and employee engagement in N.P.Enterprises.''

1) SAMPLE SIZE

The size of the sample is limited to 250 respondents

2) SAMPLE DESIGN

Research design is a conceptual structure within which research should be conducted. Thus, the preparation of such a design facilitates research to be as efficient as possible and will yield maximum information. Here to meet the research objectives, random sampling research design is used.

VI. STATSTICAL TOOL USED

Thetoolsusedforanalysisareas follows:

1) Simple percentage analysis
2) Rank analysis
3) Regression
4) Correlation
5) Chi-square
6) ANOVA
7) Paired T-test

VII. LIMITATIONS OF THE STUDY

1) The study is done within the N.P.Enterprises, so it may not be applicable for other organizations.
2) The study is conducted on the basis of the responses collected from the respondents through structured questionnaire.

VIII. REVIEW OF LITERATURE

3) Dr. Kiran Raj (2024), an empirical study, Impact of performance appraisal system on employee engagement. The findings indicated that effective performance appraisal systems, especially those incorporating employee feedbacks for organizational improvement, significantly enhance employee engagement.
4) Greenberg (2023), emphasizes the role of organizational justice in performance appraisals. According to his research, fairness in performance appraisals significantly impacts employee motivation.
5) Krishan& Ahmad (2022),examined how employee's perceptions of fairness in performance appraisal systems affect their organizational commitment. Their study revealed that interactional justice within performance appraisals significantly predicts organizational commitment.
6) Allen (2021),work on organizational commitment highlighted that performanceappraisals are a key tool for aligning employee goals with organizational objectives. By providing regular, clear feedback, appraisals are a key tool for aligning employee goals with organizational objectives. By providing regular, clear feedback appraisals help employees understand their role leading to increased affective commitment.
7) Rajan &Pillai (2020), communication is as essential driver of employee engagement. Regular and transparent communication between management and employees fosters trust and keeps employees informed about organizational goals and their role in achieving them.

©IJRASET: All Rights are Reserved | SJ Impact Factor 7.538 | ISRA Journal Impact Factor 7.894 |

8) Kanfer & GrayLatham (2019), identifies challenges such as unclear performance expectations lack of training for evaluators and organizational culture that undermines the objectivity of performance appraisals. They explore the challenge of reconciling the evaluative role of performance appraisals with their developmental potential.

SIMPLE PERCENTAGE

TABLE 1

AGE GROUP

S. No	Age	No. of Respondents	Percentage (%)
1	18-25	59	23.6
2	26-35	105	42
3	36-45	65	26
4	46-55	21	8.4
Total		250	100

INTERPRETATION

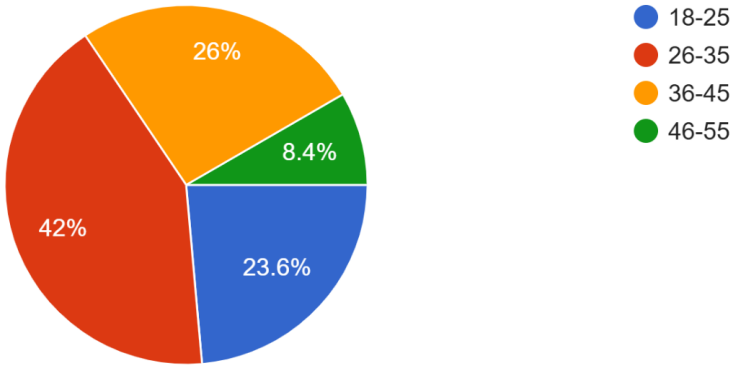
The table shows that the 23.6% of the respondents from the age group of 18 to 25 years, 42% of the respondents from the age group of 26-35 years, 26% of the respondents from the age group of 36 to 45 years and 8.4% of the respondents from the age group of 46-55 years.

INFERENCE

Majority 42% of the respondents from the age group

CHART NO 1

AGE GROUP



.

TABLE NO 2

GENDER

S. No	Gender	Number of Respondents	Percentage (%)
1	Male	157	62.8
2	Female	93	37.2
Total		250	100

Source: Primary Data

INTERPRETATION

The table shows that 62.8% of the respondents were male and 37.2% of the respondents were female.

INFERENCE

Majority 62.8% of the respondents were male.

CHART 2

GENDER

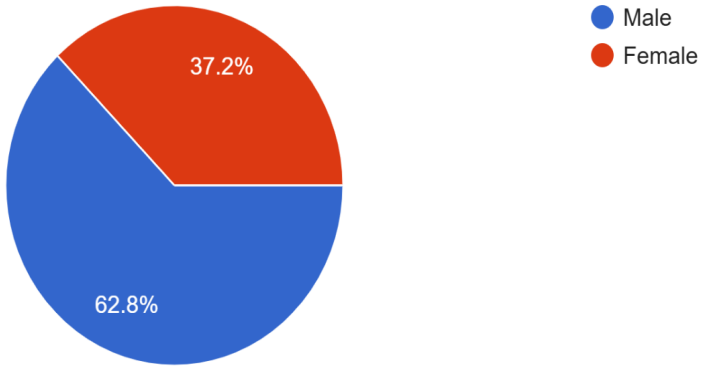


TABLE 3

EDUCATIONAL QUALIFICATION

S. No	Educational qualification	No. of Respondents	Percentage (%)
1	Higher Secondary	5	2
2	Graduate	200	80
3	Diploma	37	14.8
4	Professional	8	3.2
Total		250	100

Source: Primary Data

INTERPRETATION

The table shows that 2% of the respondent's education qualification is higher secondary, 80% of the respondent's education qualification is graduation, 14.8% of the respondent's education qualification is diploma and 3.2% of the respondent's education qualification is professional degree.

INFERENCE

Majority 80% of the respondent's education qualification is graduation.

CHART 3

EDUCATIONAL QUALIFICATION

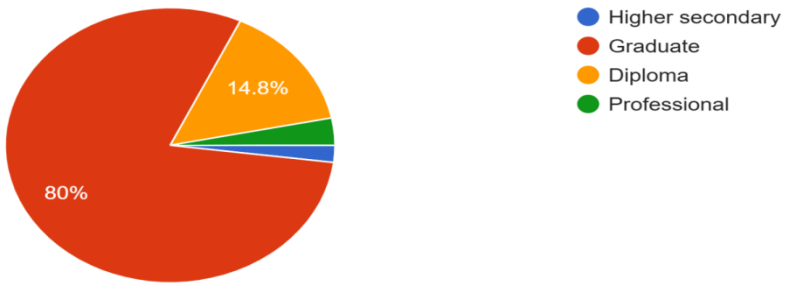


TABLE 4

ISSN: 2321-9653; IC Value: 45.98; SJ Impact Factor: 7.538
Volume 13 Issue VII July 2025- Available at www.ijraset.com

MARITAL STATUS

S. No	Marital status	No. of Respondents	Percentage (%)
1	Married	166	67.2
2	Unmarried	77	31.2
3	Widow	5	2
4	Divorced	2	0.8
Total		250	100

Source: Primary Data

INTERPRETATION

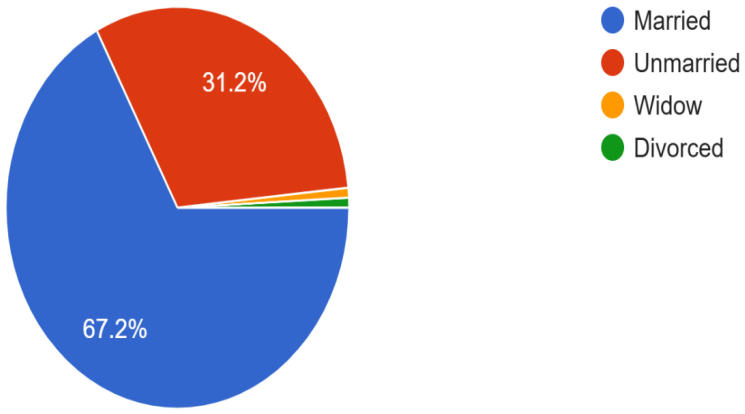
The table shows that 67.2% of the respondents were married, 31.2% of the respondents were unmarried, 2% of the respondents were widow and 0.8% of the respondents were divorced.

INFERENCE

Majority 67.2% of the respondents were married.

CHART 4

MARITAL STATUS



ANOVA

Analysis of Variance (ANOVA) is a statistical formula used to compare variances across the means (or average) of different groups. A range of scenarios use it to determine if there is any difference between the means of different groups.

TABLE 5

ANOVA BETWEEN PERFORMANCE APPRAISAL FREQUENCY AND PREFRRED FEEDBACK METHOD

H_0 = There is no statistical difference between performance appraisal frequency and preferred feedback method

H_1= There is a statistical difference between performance appraisal frequency and preferred feedback method

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	.047	3	.016	.559	.643
Within Groups	6.853	246	.028		
Total	6.900	249			

Source: Primary Data

©IJRASET: All Rights are Reserved

INTERPRETATION

In the above table, with the agree of freedom 3 and f-value .559, sig. (3, .559) =.643 which is greater than 0.05, so we conclude that there is no significance difference between performance appraisal frequency and preferred feedback method

Thus H_1 is rejected &H_0 is accepted

TABLE 6

ANOVA BETWEEN LEADERSHIP QUALITIES AND EMPLOYEE COMMITMENT

H_0 = There is no statistical difference between leadership qualities and employee commitment

H_1 = There is a statistical difference between leadership qualities and employee commitment

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	22.044	3	7.348	6.970	.000
Within Groups	259.332	246	1.054		
Total	281.376	249			

Source: Primary Data

INTERPRETATION

In the above table, with the agree of freedom 3 and f-value 6.970, sig. (3, 6.970)=.000 which is lesser than 0.05, so we conclude that there is significance difference between leadership qualities and employee engagement.

Thus, H_0 is rejected &H_1 is accepted

CHI- SQUARE TEST

A chi- square test, also written as x^2 test is any test statistical hypothesis test where the sampling distribution of the test statistic is squared distribution when the null hypothesis is true, without other qualification, chi- square test is often used as short for Pearson's chi-square test.

TABLE 7

COMPARISON BETWEEN JOB ROLE AND MOTIVATIONAL FACTORS

H_0 = There is no association between job role and motivational factors

H_1 = There is an association between job role and motivational factors

		What motivates your best performance?				Total
		Career growth and promotion opportunities	Financial rewards	Personal job satisfaction	Recognition and appreciation from management	
Job role	Entry-level	19	2	4	16	41
	Managerial	5	0	3	12	20
	Mid-level	32	7	25	63	127
	Senior-level	13	4	13	32	62
Total		69	13	45	123	250

	Value	Df	Asymptotic Significance (2-sided)
Pearson Chi-Square	11.346[a]	9	.253
Likelihood Ratio	11.909	9	.218
N of Valid Cases	250		
a. 4 cells (25.0%) have expected count less than 5. The minimum expected count is 1.04.			

Source: Primary Data

INTERPRETATION

In the above table, with the degrees of freedom 9, sig.value (.253) which is greater than significant value (0.05), so we conclude that there is no association between job role and motivational factors.

Thus, H_1 is rejected &H_0 is accepted

CORRELATION

Correlation is a statistical measure that expresses the extent to which two variables are linearly related (meaning them together a constant rate). It's a common tool for describing simple relationships without making a statement about cause and effect.

TABLE 8

CORRELATION BETWEEN PERFORMANCE APPRAISAL AND JOB SATISFACTION

H_0= There is no relationship between performance appraisal and job satisfaction

H_1= There is a relationship between performance appraisal and job satisfaction

		Jobsatisfaction	What appraisal method does your organization use
Job satisfaction	Pearson Correlation	1	.035
	Sig. (2-tailed)		.586
	N	250	250
What appraisal method does your organization use	Pearson Correlation	.035	1
	Sig. (2-tailed)	.586	
	N	250	250

Source: Primary Data

INTERPRETATION

In the above table, with the degrees of freedom 9, sig.value (.253) which is greater than significant value (0.05), so we conclude that there is no association between job role and motivational factors.

Thus, H_1 is rejected &H_0 is accepted

TABLE 9

CORRELATION BETWEEN PERFORMANCE APPRAISAL REWARD AND IMPACT ON TEAMWORK

H_0= There is no relationship between performance appraisal reward and impact on teamwork H_1= There is a relationship between performance appraisal reward and impact on teamwork

		Reward	How do performance appraisals influence teamwork
Reward	Pearson Correlation	1	.239**
	Sig. (2-tailed)		.000
	N	250	250
How do performance appraisals influence teamwork	Pearson Correlation	.239**	1
	Sig. (2-tailed)	.000	
	N	250	250

Source: Primary Data

INTERPRETATION

In the above table, the Sig. value (.000) which is lesser than the significant value (0.05), so we can conclude there is relationship between performance appraisal reward and impact on teamwork

Thus H_0 is rejected &H_1 is accepted.

REGRESSION

Regression is a statistical method used to model a relationship between a dependent variable and one or more independent variables. It helps in predicting outcomes and identifying trends in data. It is widely used in fields like finance and economics for data analysis and forecasting.

TABLE 10
REGRESSION BETWEEN ROLE OF EMPLOYEE AND BARRIERS TO EMPLOYEE ENGAGEMENT
TABLE 10.1 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.184[a]	.034	.026	.889

a. Predictors: (Constant), Barriers to employee engagement

TABLE 10.2 ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	6.831	2	3.415	4.323	.014[b]
	Residual	195.153	247	.790		
	Total	201.984	249			

a. Dependent Variable: Prefer to receive feedback from your manager
b. Predictors:(Constant), Role of employee, Barriers to employee engagement

TABLE 10.3
Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-1.357	1.281		-1.060	.290
	Barrier to employee engagement	.105	.062	.105	1.686	.093
	Role of employee	1.549	.631	.154	2.454	.015

a.Dependent Variable: Prefer to receive feedback from your manager

INTERPRETATION

Table 10.1 shows that R square value is .034 which means that the independent variable i.e. (barriers to employee engagement and role of employee) causes 3.4% changes in dependent variable (preference for receiving feedback from a manager)

Table 10.2 presents the ANOVA results, where the p-value is .014[b] which is lesser than 0.05.It shows that there is significant impact between role of employee and barriers to employee engagement and preference for receiving feedback from manager.

Table 10.3 shows the coefficient result. The beta value for the role of employee is.154 leads to increase in the preference of receiving feedback from a manager. Similarly beta value for barriers to employee engagement is .154 leads to increase in the preference of receiving feedback from manager.

Since both beta values are positive, there is a positive relationship between the independent variables and dependent variable. An increase in the role of employee and barriers to employee engagement is associated with an increase in employees' preference for receiving feedback from manager.

PAIRED T-TEST

A paired t-test is a statistical method used to compare the means of two related groups. It evaluates whether the mean difference between paired observations is significantly different from zero. It is commonly used in experiments measuring the effect of a treatment or intervention.

TABLE 11

T-TEST BETWEEN PERFORMANCE RECOGNITION AND EMPLOYEE SATISFACTION

H_0= There is no significant difference between performance recognition and employee satisfaction.

H_1= There is significant difference between performance recognition and employee satisfaction.

Paired t-test					t	Df	Sig. (2-tailed)
Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
			Lower	Upper			
-.356	1.021	.065	-.483	-.229	-5.516	249	.000

Source: Primary Data

INTERPRETATION

In the above table with the degrees of freedom 249 and t-value -5.516, sig value =.000 which is lesser than 0.05, so we conclude that there is significant difference between performance recognition and employee satisfaction

Thus H_0 is rejected &H_1 is accepted

RANK ANALYSIS

TABLE 12

PERFORMANCE APPRAISAL ASPECTS

STATEMENT	I	II	III	IV	V	VI	VII	VIII	IX	TOTAL	RANK
Performance clarity	177 1593	1 8	4 28	1 6	0 0	1 4	0 0	0 0	66 66	1705	I
Transparency in the appraisal process	0 0	177 1416	4 28	1 6	0 0	0 0	1 3	66 132	1 1	1586	II
Fairness of performance evaluations	4 36	5 40	174 1218	0 0	0 0	1 4	65 195	1 2	0 0	1495	III
Frequency of performance reviews	1 9	0 0	0 0	180 1080	1 5	64 256	1 3	1 2	2 2	1357	IV
Timeline of feedback after the appraisal	0 0	0 0	1 7	1 6	245 1225	1 4	2 6	0 0	0 0	1248	V
Quality of feedback is effective	0 0	0 0	1 7	64 384	2 10	178 712	3 9	2 4	0 0	1126	VI
Performance discussion with managers	1 9	1 8	65 455	2 12	0 0	2 8	175 525	2 4	2 2	1023	VII
Self-assessment before appraisal	0 0	66 528	1 7	0 0	1 5	1 4	1 3	173 346	7 7	900	VIII
Appraisal reflect in actual performance	67 603	0 0	0 0	1 6	1 5	2 8	2 6	5 10	172 172	810	IX

©IJRASET: All Rights are Reserved | SJ Impact Factor 7.538 | ISRA Journal Impact Factor 7.894 |

INTERPRETATION

From the above analysis of the performance appraisal system the highest ranked factor is Performance clarity followed by Transparency in the appraisal process, Fairness of performance evaluations, Frequency of performance reviews, Timeline of feedback after the appraisal, Quality of feedback is effective, Performance discussion with managers, Self-assessment before appraisal and Appraisal reflect in actual performance.

Overall, the results highlight that employees prioritize clarity, transparency, fairness and frequent feedback in performance evaluations.

IX. FINDINGS

1) SIMPLE PERCENTAGE

- Majority 42% of the respondents from the age group of 26-35.
- Majority 62.8% of the respondents were male.
- Majority 80% of the respondents education qualification is graduation.
- Majority 67.2% of the respondents were married.

2) ANOVA

- There is no significance difference between performance appraisal frequency and preferred feedback method.
- There is significance difference between leadership qualities and employee commitment.

3) CHI SQUARE TEST

- There is no association between job role and motivational factors.

4) CORRELATION

- There is no relationship between performance appraisal and job satisfaction
- There is relationship between performance appraisal reward and impact on teamwork

5) REGRESSION

- There is a positive relationship between the role of employee and barriers to employee engagement

6) PAIRED T-TEST

- There is significant difference between performance recognition and employee satisfaction

7) RANK ANALYSIS

- Majority of the respondents perceive performance clarity from the performance appraisal aspects

X. SUGGESTIONS

1) Analyze how organizational culture impacts the effectiveness of performance appraisals.
2) Implement a transparent appraisal system to ensure fair and consistent evaluation.
3) Performance appraisal should focus on leadership development to prepare them for senior roles.
4) Provide career development opportunities and training programs to enhance job satisfaction.
5) Encourage employees to share their concerns and ideas about appraisal process.
6) Align appraisal outcomes with organizational goals to make employees feel valued.
7) Regularly assess employee engagement through surveys and implement necessary changes
8) Implement a fair and transparent reward system that acknowledges employee contributions increasing motivation and commitment
9) Organizations should design customized motivation strategies for different roles
10) Monitor engagement levels before and after appraisals to measure effectiveness

XI. CONCLUSIONS

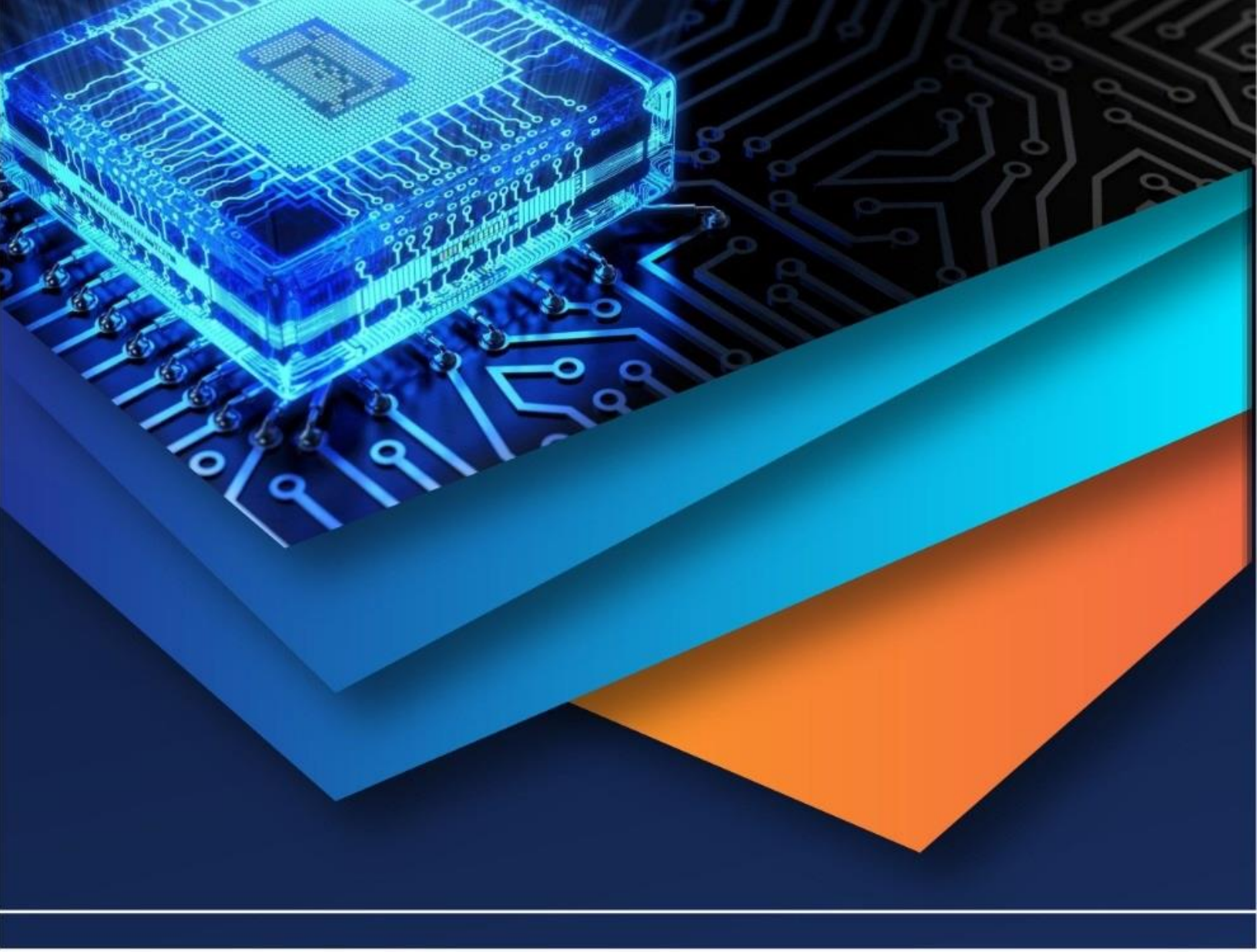
The study concludes that performance appraisal practices significantly influence employee engagement, motivation and organizational commitment. A well-structured and transparent appraisal system fosters a culture of continuous improvement and employee satisfaction. Addressing challenges can improve the effectiveness of appraisals. By implementing fair and consistent appraisal systems, organizations can boost productivity and overall effectiveness. Company should continuously refine their appraisal systems to align with employees needs long-term sustainability.

©IJRASET: All Rights are Reserved | SJ Impact Factor 7.538 | ISRA Journal Impact Factor 7.894 |

REFRENCES

WEBSITES
[1] https://www.researchgate.net/employee_engagement
[2] https://workleap.com/performance_management
[3] https://www.frontiers.org/performance_appraisal
[4] https://www.emerald.com/organizational_commitment
[5] https://www.plumhq.com/employee_performance
BOOKS
[1] “Performance management: A New Approach for Driving Business” by Elaine
[2] “Evolution and change: Improving Performance Appraisal at Work” by Edna Rabenu
[3] “Effective performance appraisal: A Practical Guide for Managers” by Edward
[4] “Employee engagement: A Strategic Approach to Achieve Success” by Herman
[5] “Performance appraisal system: Aspects of employee engagement” by Donald
JOURNALS
[1] Journal of Employment Studies - Author: Agarwal
[2] Journal of Organizational Behaviour - Author: Murphy
[3] Journal of Human Resource Development - Author: Reddy
[4] Journal of Workplace Psychology - Author: Adams
[5] Journal of Business and Management Studies - Sharma

©IJRASET: All Rights are Reserved | SJ Impact Factor 7.538 | ISRA Journal Impact Factor 7.894 |



10.22214/IJRASET

45.98

IMPACT FACTOR: 7.129

IMPACT FACTOR: 7.429

INTERNATIONAL JOURNAL FOR RESEARCH

IN APPLIED SCIENCE & ENGINEERING TECHNOLOGY

Call : 08813907089 (24*7 Support on Whatsapp)