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# **The Effect of Performance Evaluation on Employee's Job Satisfaction in Pakistan International Airlines Corporation (2013)**

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**The Effect of Performance Evaluation on Employee's  
Job Satisfaction in Pakistan International Airlines  
Corporation (2013)**

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**ABSTRACT**

This study is designed to study the relationship between the performance evaluation system and its impact on job satisfaction of employees. A questionnaire is designed for this purpose and the study is conducted to the employees of Pakistan International Airline Corporation. For this purpose the employees of Admin, Sales, HR, Flight crew, Engineering and other departments filled up 34 questionnaires. Literature survey described in the report served as the conceptual framework. Analysis of data includes comparison of results through graphs, co-relation

techniques. Findings of the data indicate that there is no relationship between the performance evaluation and its impact on job satisfaction on employees. Additionally, in view of the limitations of the study (small sample, low response) limited conclusions can be drawn from the study. And this study disapproves the null hypothesis.

Keywords: Performance Evaluation, Job Satisfaction, Appraisal Systems, Percentage, Correlation

## **1. INTRODUCTION**

### **History of Performance Evaluation**

The history of performance appraisal is quite brief. Its starts in the early 20th century by Taylor are pioneering with Time and Motion studies. But this is not very helpful, for the same may be said about almost everything in the field of modern human resources management. In a broader sense, the practice of appraisal is a very ancient. In the scale of things historical, it might well lay claim to being the world's second oldest profession. The human inclination to judge can create serious motivational, ethical and legal problems in the workplace. Without a structured appraisal system, there is little chance of ensuring that the judgments made will be lawful, fair, defensible and accurate. Performance appraisal systems began as simple methods of income justification. That is, appraisal was used to decide whether or not the salary or wage of an individual employee was justified. As a result, the traditional emphasis on reward outcomes was progressively rejected. In the 1950s in the United States, the potential usefulness of appraisal as tool for motivation and development was gradually recognized. The general model of performance appraisal, as it is known today, began from that time.

## **Modern Appraisal System**

Performance appraisal may be defined as a structured and formal interaction between a subordinate and supervisor, that usually takes the form of a periodic interview (annual or semi-annual), in which the work performance of the subordinate is examined and discussed, with a view to identifying weaknesses and strengths as well as opportunities for improvement and skills development. In many organizations - but not all - appraisal results are used, either directly or indirectly, to help determine reward outcomes. That is, the appraisal results are used to identify the better performing employees who should get the majority of available merit pay increases, bonuses, and promotions. Employee performance reviews can be one of the best tools to boost performance, improve morale and increase productivity. When done properly, performance evaluation is an effective planning tool for managers and provides important feedback to employees.

## **Components of Performance Evaluation**

Performance evaluation systems contain two basic systems:

- a. Evaluation system
- b. Feedback system

### **a. Evaluation System**

The main aim of the evaluation system is to identify the performance gap (if any). This gap is the shortfall that occurs when performance does not meet the standard set by the organization as acceptable.

## **b. Feedback System**

The main aim of the feedback system is to inform the employee about the quality of his or her performance. However, the information flow is not exclusively one way. The appraisers also receive feedback from the employee about job problems, etc.

## **Best Way to Conduct Performance Appraisal**

One of the best ways to appreciate the purposes of performance appraisal is to look at it from the different viewpoints of the main stakeholders: the employee and the organization.

### **Employee Viewpoint**

From the employee viewpoint, the purpose of performance appraisal is four-fold:

1. Tell me what you want me to do
2. Tell me how well I have done it
3. Help me improve my performance
4. Reward me for doing well

### **Organization Viewpoint**

From the organization's viewpoint, one of the most important reasons for having a system of performance appraisal is to establish and uphold the principle of accountability. For decades it has been known to researchers that one of the chief causes of organizational failure is "non-alignment of responsibility and accountability. Non-alignment occurs where employees are given responsibilities and duties, but are not held accountable for the way in which those responsibilities and duties are performed. What typically happens is that several individuals or work units appear to have overlapping roles. The overlap allows - indeed actively encourages - each individual or business unit to "pass the buck" to the others. Ultimately, in the severely non-

aligned system, no one is accountable for anything. In this event, the principle of accountability breaks down completely. Organizational failure is the only possible outcome. In cases where the non-alignment is not so severe, the organization may continue to function, albeit inefficiently. Like a poorly made or badly tuned engine, the non-aligned organization may run, but it will be sluggish, costly and unreliable. One of the principal aims of performance appraisal is to make people accountable. The objective is to align responsibility and accountability at every organizational level. Due to the various benefits the performance evaluation becomes the essential responsibility of the organization. Fair, proper, and standardized quality of performance evaluation is become the one of the top priorities of the business world of today and the basic aim of this study is also to see the relationships of various factors with regards to performance appraisal.

### **Different Performance Appraisal System**

There are several methods of conducting performance appraisal:

- a. Graphic rating scales
- b. 360-degree feedback
- c. Critical incidents
- d. Behaviorally Anchored Rating Scales (BARS)

#### **a. Graphic rating scales**

This method lists a set of performance factors such as job knowledge, work quality, cooperation that the supervisor uses to rate employee performance using an incremental scale. The supervisor rates each subordinate by circling or checking the score that best describes his or her performance for each trait. The assigned values for the traits are then totaled.

Employee name: _____ Dept. _____	Excellent	Good	Average	Fair	Poor
1. Quality of work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Quantity of work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Cooperation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Dependability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Initiative	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Job knowledge	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Attitude	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### b. 360-degree feedback

"360" refers to the 360 degrees in a circle. The feedback would come from subordinates, peers, and managers in the organizational hierarchy, as well as self-assessment, and in some cases external sources such as customers and suppliers or other interested stakeholders.

#### The 360° Concept

Using Hudson's 360°, an individual's behavior is evaluated by people with first-hand experience of working with that person. Typically, four groups of people are invited to participate in a 360°.

1. Direct manager and other relevant senior colleagues
2. Peers, clients and important suppliers at a similar level
3. Direct reports and other colleagues at a more junior level
4. Self

#### Effects of 360-degree feedback:

A study on 360-degree feedback to leaders conducted by "Arizona State University" has supported the hypothesis that improvement in a leader's consideration and employee development behaviors will lead to positive changes in employees' job satisfaction and engagement, and reduce their intent to leave (Brett 582-583).

**c. Critical Incidents:**

The supervisor's attention is focused on specific or critical behaviors that separate effective from ineffective performance. With the critical incident method, the supervisor keeps a log of desirable or undesirable examples or incidents of each subordinate's work-related behavior. Then every 6 months or so, the supervisor and subordinate meet and discuss the latter's performance using the specific incidents as examples.

**d. Behaviorally Anchored Rating Scales (BARS)**

A behaviorally anchored rating scale (BARS) combines the benefits of narratives, critical incidents, and quantified ratings (such as graphic rating scales) by anchoring a quantified scale with specific behavioral examples of good or poor performance.

Relationship between Job satisfaction and performance evaluation

Attempting to understand the nature of job satisfaction and its effects on work performance is not easy. For at least 50 years industrial/organizational psychologists have been wrestling with the question of the relationship between job satisfaction and job performance. Researchers have put a considerable amount of effort into attempts to demonstrate that the two are positively related in a particular fashion: a happy worker is a good worker. Although this sounds like a very appealing idea, the results of empirical literature are too mixed to support the hypothesis that job satisfaction leads to better performance or even that there is a reliable positive correlation between these two variables. On the other hand some researchers argue that the results are equally inconclusive with respect to the hypothesis that there is no such relationship. As a result of this ambiguity, this relationship continues to stimulate research and re-examination of previous attempts. This paper strives to describe the relation of job satisfaction and performance, keeping in mind the value this relation has for organizations. Job satisfaction



is a complex and multifaceted concept, which can mean different things to different people. Job satisfaction is usually linked with motivation, but the nature of this relationship is not clear. Satisfaction is not the same as motivation. "Job satisfaction is more an attitude, an internal state. It could, for example, be associated with a personal feeling of achievement, either quantitative or qualitative." In recent years attention to job satisfaction has become more closely associated with broader approaches to improved job design and work organization, and the quality of working life movement. The relationship between job satisfaction and performance is an issue of continuing debate and controversy. One view, associated with the early human relations approach, is that satisfaction leads to performance. An alternative view is that performance leads to satisfaction. However, a variety of studies suggest that research has found only a limited relationship between satisfaction and work output and offer scant comfort to those seeking to confirm that a satisfied worker is also a productive one. Labor turnover and absenteeism are commonly associated with dissatisfaction, but although there may be some correlation, there are many other possible factors. No universal generalizations about worker dissatisfaction exist, to offer easy management solutions to problems of turnover and absenteeism. The study suggests that it is primarily in the realm of job design, where opportunity resides for a constructive improvement of the worker's satisfaction level. Individual performance is generally determined by three factors. Motivation, the desire to do the job, ability, the capability to do the job, and the work environment, the tools, materials, and information needed to do the job. If an employee lacks ability, the manager can provide training or replace the worker. If there is an environmental problem, the manager can also usually make adjustments to promote higher performance. But if motivation is the problem, the manager's task is more challenging. Individual behavior is a complex phenomenon, and the manager may not be able to figure out

why the employee is not motivated and how to change the behavior. Thus, also motivation plays a vital role since it might influence negatively performance and because of its intangible nature.

## **PROBLEM STATEMENT**

Performance evaluation system is applied in the organizations to identify the skilled and best performers employee of the organization to increase their salary and other benefits to be satisfied from the job, but sometimes the most of the employees are not satisfied from the performance evaluation and hence not from the job. In this study the aim is to identify the significant relationship of performance evaluation and job satisfaction.

## **AIMS AND OBJECTIVES OF THE STUDY**

The purposes of this study are as follows:

- a) To find out the impact of employee's performance evaluation.
- b) To analyze the effects of performance evaluation on employee's job satisfaction.

## **RESEARCH SCOPE AND LIMITATIONS**

The research conducted provides the following significances:

- a) Help the organization to rate the performances of their employees.
- b) Compensation will be given to each employee according to his or her performances.
- c) Able to identify the job satisfaction level among the employees.
- d) Able to identify the satisfaction level impacts on the employee's productivity.
- e) Majors can be taken on the basis of the study for the future requirements and needs.
- f) The currently used performance appraisal system will be making better in the light of the study.

## **HYPOTHESIS**

*H<sub>0</sub>*: Performance evaluation creates significant impact on job satisfaction.

*H<sub>A</sub>*: Performance evaluation doesn't create significant impact on job satisfaction.

## **2. LITERATURE REVIEW**

The Productivity of any organization is directly correlated to the Effectiveness of the Employee Performance Appraisal System “*subject to the Effectiveness of other Support Systems*” (Bajaj, 1975)

### **Rationale**

Performance appraisals are one of the most important requirements for successful business and human resource policy. Rewarding and promoting effective performance in organizations, as well as identifying ineffective performers for developmental programs or other personnel actions are essential to effective human resource management. The ability to conduct performance appraisals relies on the ability to assess an employee's performance in a fair and accurate manner. Evaluating employee performance is a difficult task. Once the supervisor understands the nature of the job and the sources of information, the information needs to be collected in a systematic way, provided as feedback, and integrated into the organization's performance management process for use in making compensation, job placement, and training decisions and assignments.

After a review of literature, a performance appraisal model will be described in detail. The model discussed is an example of a performance appraisal system that can be implemented in a large institution of higher education, within the Student Affairs division. The model can be applied to top level, middle-level and lower level employees. Evaluation instruments (forms) are provided to assist you with implementation the appraisal system.

## **Introduction**

Performance evaluations have been conducted since the times of Aristotle (*Landy, Zedeck, Cleveland, 1983*). The earliest formal employee performance evaluation program is thought to have originated in the United States military establishment shortly after the birth of the republic. The measurement of an employee's performance allows for rational administrative decisions at the individual employee level. It also provides for the raw data for the evaluation of the effectiveness of such personnel- system components and processes as recruiting policies, training programs, selection rules, promotional strategies, and reward allocations (*Zedeck*). In addition, it provides the foundation for behaviorally based employee counseling. In the counseling setting, performance information provides the vehicle for increasing satisfaction, commitment, and motivation of the employee. Performance measurement allows the organization to tell the employee something about their rates of growth, their competencies, and their potentials. There is little disagreement that if well done, performance measurements and feedback can play a valuable role in effecting the grand compromise between the needs of the individual and the needs of the organization (*Zedeck, 1983*).

## **Purpose**

Performance appraisals should focus on three objectives: performance, not personalities; valid, concrete, relevant issues, rather than subjective emotions and feelings; reaching agreement on

what the employee is going to improve in his performance and what you are going to do (McKirchy, 1998). Both the supervisor and employee should recognize that a strong relationship exists between training and performance evaluation (Barr, 1993). Each employee should be allowed to participate in periodic sessions to review performance and clarify expectations. Both the supervisor and the employee should recognize these sessions as constructive occasions for two-way communication. Sessions should be scheduled ahead of time in a comfortable setting and should include opportunities for self-assessment as well as supervisor feedback. These sessions will be particularly important for new employees who will benefit from early identification of performance problems. Once these observations have been shared, the supervisor and employee should develop a mutual understanding about areas for improvement, problems that need to be corrected, and additional responsibilities that might be undertaken. When the goals are identified, a plan for their achievement should be developed. The plan may call for resources or support from other staff members in order to meet desired outcomes. In some cases, the plan might involve additional training. The supervisor should keep in contact with the employee to assure the training experiences are producing desired impact (Barr, 1993). A portion of the process should be devoted to an examination of potential opportunities to pursue advancement or acceptance of more complex responsibilities. The employee development goals should be recognized as legitimate, and plans should be made to reach the goals through developmental experiences or education (Barr, 1993). Encouraging development is not only a supervisor's professional responsibility, but it also motivates an employee to pursue additional commitments. In addition, the pursuit of these objectives will also improve the prospect that current employees will be qualified as candidates when positions become available. This approach not only motivates current performance but also assists the recruitment of current

employees as qualified candidates for future positions (Barr, 1993). How to arrive? Reasons why need to be done Benefits of productive performance appraisals. - Employee learns of his or her own strengths in addition to weaknesses. - New goals and objectives are agreed upon. - Employee is an active participant in the evaluation process. - The relationship between supervisor and employees is taken to an adult-to-adult level. - Work teams may be restructured for maximum efficiency. - Employee renews his or her interest in being a part of the organization now and in the future. - Training needs are identified. - Time is devoted to discussing quality of work without regard to money issues. - Supervisor becomes more comfortable in reviewing the performance of employees. - Employees feel that they are taken seriously as individuals and that the supervisor is truly concerned about their needs and goals. (*Randi, Toler, Sachs, 1992*).

### **Downsides to Avoid**

When conducting performance appraisals on any level, it is important to keep in mind the common pitfalls to avoid.

These pitfalls may include but are not limited to:

- ✓ Bias/Prejudice. Race, religion, education, family background, age, and/or sex.
- ✓ Trait assessment. Too much attention to characteristics that have nothing to do with the job and are difficult to measure.
- ✓ Over-emphasis on favorable or unfavorable performance of one or two tasks which could lead to an unbalanced evaluation of the overall contribution.
- ✓ Relying on impressions rather than facts.
- ✓ Holding the employee responsible for the impact of factors beyond his/her control.
- ✓ Failure to provide each employee with an opportunity for advance preparation (Maddux, 1993).

## **Legal Implications**

Any performance appraisal system used to make employment decisions about a member of a protected class (i.e. Based on age, race, religion, gender, or national origin) must be a valid system (an accurate measure of performance associated with job requirements). Otherwise, it can be challenged in the courts based on Title VII of the 1964 Civil Rights Act, the Civil Rights Act of 1991 and the Age Discrimination in Employment Act of 1975 (*London, 2003*).

Uniform Guidelines on Employee Selection 1978 is the controlling federal law in the area of performance appraisals. The Equal Employment Opportunity Commission (EEOC) requires that any measurement used to differentiate between employees must be valid and fairly administered. The Americans with Disabilities Act (ADA) suggests that performance appraisals for people with disabilities for people with disabilities will not be conducted any differently than those for other employees.

Another important aspect to consider is the employee's right to privacy. Employees must have complete access to their personnel files, but others should have controlled access. The records should be accurate, relevant, and current.

## **Rewards**

Effective reward systems are often hard to establish when creating performance appraisals. The question of how specific the reward and when the reward should be given, and how to reward group efforts can be a tricky subject to master.

Our advice on this is to keep it simple. It is important to have an established reward system. However, rewards can be as simple as more autonomy on the job, praise for progress, additional professional development funding, and vacation time. The important aspect to remember when

establishing reward systems is to be consistent. If two employees are being evaluated in the same way, their reward opportunities should reflect their evaluation outcomes.

### **3. METHODOLOGY**

This is “Causal Study” that uses the statistical tools namely “correlation” and “hypothesis test” for analyzing the hypothesis i.e. the performance evaluation and its impact on employee behavior and morale. The study is conducted on the employees of “PAKISTAN INTERNATIONAL AIRLINES CORPORATION”. Pakistan International Airlines Corporation, more commonly known as Pakistan International Airlines is the flag carrier airline of Pakistan, based in Karachi. It is the 31st largest airline in Asia, operating scheduled services to 35 destinations throughout Asia, the Middle East, Europe and North America, as well as a domestic network linking 23 destinations. Its main bases are Jinnah International Airport, Karachi, the Allama Iqbal International Airport, Lahore and the Benazir Bhutto International Airport, Islamabad/Rawalpindi. The airline's secondary bases include Peshawar International Airport, Faisalabad International Airport, Quetta International Airport and Multan International Airport, from which it connects the metropolitan cities with the main bases, the Middle East and the Far East. The airline is owned by the Government of Pakistan and other shareholders.

There were two types of sources available for data collection regarding research purpose i.e. primary and secondary data. In this research study, only primary data is obtained through questionnaire. Instruments were used for collecting data for this research consisted of questionnaire for surveys and SPSS as testing tool. For this research, a questionnaire is design to determine employees' job satisfaction by the performance evaluation system. The job satisfaction measures consists of 14 questions scored on a Likert scale format (with 1 = Strongly Agree and 5



= Strongly Disagree). Total of eight questions are employed in questionnaire for testing the relationship between performance evaluation and job satisfaction. Other six items were employed to know the job characteristic. A self-administered questionnaire was filled out by 34 respondents (In different department of PIA). Not every respondent got equal chance to become the part of this research and the research is conducted on the basis of convenience i.e. Convenience Sampling Technique. A total of 16 usable questionnaires were returned. The sample size for the research is 34 respondents, which includes both genders working in different departments of PIA.

### **Econometrical Model**

Job Satisfaction =  $\alpha$  +  $\beta$  (Performance Evaluation) + ET

$\alpha$  is constant and intercept.

$\beta$  is slope.

ET is error term.

#### 4. ANALYSIS AND RESULTS

1. Which of the following best describes the department you work in?

##### Department

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid MIS	1	2.9	2.9	2.9
Flight Ops	6	17.6	17.6	20.6
Engg	8	23.5	23.5	44.1
Flight Service	7	20.6	20.6	64.7
Account/Finance	2	5.9	5.9	70.6
Sales/Mkt	4	11.8	11.8	82.4
HR	3	8.8	8.8	91.2
Other	3	8.8	8.8	100.0
Total	34	100.0	100.0	

2. Which of the following best describes your position here?

##### Current Position

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Clerical	2	5.9	5.9	5.9
Tech	16	47.1	47.1	52.9
Managerial	12	35.3	35.3	88.2
Acc	1	2.9	2.9	91.2
Project Mgt	2	5.9	5.9	97.1
Other	1	2.9	2.9	100.0
Total	34	100.0	100.0	

3. How long have been working in this organization?

##### Years in PIA

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Less than a year	3	8.8	8.8	8.8
1-3 Years	7	20.6	20.6	29.4

4-6 Years	8	23.5	23.5	52.9
7-9 Years	9	26.5	26.5	79.4
More than 10 years	7	20.6	20.6	100.0
Total	34	100.0	100.0	

4. I received adequate training to do my job well.

**Received Job Training**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid strongly agree	16	47.1	47.1	47.1
Agree	11	32.4	32.4	79.4
Not agree nor disagree	3	8.8	8.8	88.2
Disagree	3	8.8	8.8	97.1
Strongly disagree	1	2.9	2.9	100.0
Total	34	100.0	100.0	

5. I often worry about work issues when I am at home.

**Worry about work issues in home**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly agree	4	11.8	11.8	11.8
Agree	9	26.5	26.5	38.2
Somewhat Agree	9	26.5	26.5	64.7
Disagree	8	23.5	23.5	88.2
Strongly disagree	4	11.8	11.8	100.0
Total	34	100.0	100.0	

6. How much are you satisfied with the current performance evaluation system of your organization?

**Satisfaction level from performance evaluation system**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Satisfied	6	17.6	17.6	17.6
Somewhat Satisfied	17	50.0	50.0	67.6
Dissatisfied	10	29.4	29.4	97.1
Strongly Satisfied	1	2.9	2.9	100.0
Total	34	100.0	100.0	

7. Overall how satisfied are you with your position in this company?

**Level of satisfaction from current position**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly satisfied	5	14.7	14.7	14.7
Satisfied	14	41.2	41.2	55.9
Somewhat Satisfied	8	23.5	23.5	79.4
Dissatisfied	7	20.6	20.6	100.0
Total	34	100.0	100.0	

8. Sometimes performance evaluation does not identify the skilled employees?

**Performance evaluation does not identified skilled employees**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly agree	7	20.6	20.6	20.6
Agree	12	35.3	35.3	55.9
Somewhat Agree	6	17.6	17.6	73.5
Disagree	8	23.5	23.5	97.1
Strongly disagree	1	2.9	2.9	100.0
Total	34	100.0	100.0	

9. Do you get the feed back of your evaluation?

**Getting Feedback of evaluation**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Always	18	52.9	52.9	52.9
Sometimes	11	32.4	32.4	85.3
Never	5	14.7	14.7	100.0
Total	34	100.0	100.0	

10. Do you agree the evaluation results you get?

**Agree from evaluation result**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Always	4	11.8	11.8	11.8
Sometimes	24	70.6	70.6	82.4
Never	6	17.6	17.6	100.0
Total	34	100.0	100.0	

11. Does performance evaluation serves on the basis of job satisfaction?

**Performance evaluation serve on the basis of Job Satisfaction**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly agree	8	23.5	23.5	23.5
Agree	16	47.1	47.1	70.6
Somewhat agree	6	17.6	17.6	88.2
Disagree	3	8.8	8.8	97.1
Strongly disagree	1	2.9	2.9	100.0
Total	34	100.0	100.0	

12. Does performance evaluation serves on the basis of promotion?

**Performance evaluation serve on the basis Promotion**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly agree	9	26.5	26.5	26.5
Agree	14	41.2	41.2	67.6
Somewhat agree	5	14.7	14.7	82.4
Disagree	5	14.7	14.7	97.1
Strongly Disagree	1	2.9	2.9	100.0
Total	34	100.0	100.0	

13. Would you refer a friend to apply for a job at this company?

**Refer a friend to apply in PIA**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Definitely	17	50.0	50.0	50.0
Probably	9	26.5	26.5	76.5
Note Sure	5	14.7	14.7	91.2
Probably not	3	8.8	8.8	100.0
Total	34	100.0	100.0	

14. In your opinion Performance evaluation should be conducted after how much time duration?

**How much times PE should be conducted**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Once a year	14	41.2	41.2	41.2
Semi Annually	13	38.2	38.2	79.4
Quarter	3	8.8	8.8	88.2
Monthly	4	11.8	11.8	100.0
Total	34	100.0	100.0	

## TESTING HYPOTHESIS

***H<sub>0</sub>: Performance evaluation creates significant impact on job satisfaction.***

### Correlations

		Satisfaction level from performance evaluation system	Level of satisfaction from current position	Performance evaluation does not identified skilled employees	Getting Feedback of evaluation	Agree from evaluation result	Performance evaluation serve on the basis of Job Satisfaction	Performance evaluation serve on the basis Promotion	Refer a friend to apply in PIA
Satisfaction level from performance evaluation system	Correlation Coefficient Sig.(2-tailed) N	1.000 .34	.203 .251 34	.235 .181 34	.235 .181 34	.324 .062 34	-.035 .845 34	-.152 .390 34	.076 .670 34
Level of satisfaction from current position	Correlation Coefficient Sig.(2-tailed) N	.203 .251 34	1.000 .732 34	.061 .732 34	.122 .492 34	.298 .087 34	.023 .899 34	.242 .169 34	.488** .003 34
Performance evaluation does not identified skilled employees	Correlation Coefficient Sig. (2-tailed) N	.235 .181 34	.061 .732 34	1.000 .094 34	-.292 .094 34	.103 .560 34	-.279 .110 34	-.396* .021 34	-.053 .765 34
Getting Feedback of evaluation	Correlation Coefficient Sig. (2-tailed) N	.235 .181 34	.122 .492 34	-.292 .094 34	1.000 .104 34	.284 .104 34	.405* .017 34	.450** .008 34	.193 .275 34
Agree from evaluation result	Correlation Coefficient Sig. (2-tailed) N	.324 .062 34	.298 .087 34	.103 .560 34	.284 .104 34	1.000 .139 34	.259 .913 34	.019 .913 34	.396* .020 34
Performance evaluation serve on the basis of Job Satisfaction	Correlation Coefficient Sig. (2-tailed) N	-.035 .845 34	.023 .899 34	-.279 .110 34	.405* .017 34	.259 .139 34	1.000 .001 34	.558** .001 34	-.053 .767 34
Performance evaluation serve on the basis Promotion	Correlation Coefficient Sig. (2-tailed) N	-.152 .390 34	.242 .169 34	-.396* .021 34	.450** .008 34	.019 .913 34	.558** .001 34	1.000 .001 34	.053 .767 34
Refer a friend to apply in PIA	Correlation Coefficient Sig. (2-tailed) N	.076 .670 34	.488** .003 34	-.053 .765 34	.193 .275 34	.396* .020 34	-.053 .767 34	.053 .767 34	1.000 .000 34

## **ANALYSIS METHOD**

The method used to analyze the relationship between performance evaluation and job satisfaction is spear's man rank correlation because the data was qualitative and ordinal. The spear's man correlation test revealed that there is no correlation between two variables.

## **ANALYSIS RESULTS**

The significant pairs in which correlation exist are as follows.

1. Q 7 and Q13 (correlation = 0.488)
2. Q 8 and Q12 (correlation = -0.396)
3. Q 9 and Q11 (correlation = 0.405)
4. Q 9 and Q12 (correlation = 0.450)
5. Q 10 and Q13 (correlation = 0.396)
6. Q 11 and Q12 (correlation = 0.558)

## **INTERPRETATION**

1. There is significant positive correlation between overall satisfaction with current position in the company and recommendation a job to friend in this company.
2. There is significant negative correlation between performance evaluations does identify skilled worker and performance evaluation serves on the basis of promotion.
3. There is significant positive correlation between feedback of evaluation and performance evaluation serves on the basis of job satisfaction.

4. There is significant positive correlation between feedback of evaluation and performance evaluation serves on the basis of promotion.
5. There is significant positive correlation between agree with the evaluation results and feedback of evaluation and recommendation a job to friend in this company.
6. There is significant positive correlation performance evaluation serves on the basis of job satisfaction and performance evaluation serves on the basis of promotion.

On the basis of statistical test the p-value of spearman correlation between performance evaluation and job satisfaction in 0.251 which is greater than 0.05 the null hypothesis is rejected that performance evaluation creates significant impact on job satisfaction.

## **5. DISCUSSION**

From the above analysis of questionnaire through SPSS by applying Spear's man correlation the results shows that the sig value (P-value) between both variable is 0.251 which is greater than 0.05 so we reject null hypothesis that performance evaluation creates significant impact on job satisfaction. So we have come to a conclusion that there is no significant impact of performance evaluation on job satisfaction.

All 14 questions were on likert scale and then tested on SPSS with the spearsman correlation it has been found that the some other variables were also correlated with each other which are as follows:



There is significant positive correlation between overall satisfaction with current position in the company and recommendation a job to friend in this company.

There is significant negative correlation between performance evaluations does identify skilled worker and performance evaluation serves on the basis of promotion.

There is significant positive correlation between feedback of evaluation and performance evaluation serves on the basis of job satisfaction.

There is significant positive correlation between feedback of evaluation and performance evaluation serves on the basis of promotion.

There is significant positive correlation between agree with the evaluation results and feedback of evaluation and recommendation a job to friend in this company.

There is significant positive correlation performance evaluation serves on the basis of job satisfaction and performance evaluation serves on the basis of promotion.

This research opens the doors for new researches to study the relationship between job satisfaction and recommendation to others it means that if a employee is satisfied from his job he will definitely recommend others to join the same organization his working within. The other significant relationship was found between feedback of performance evaluation and performance evaluation serves on the basis of promotion. It means that the employee who getting feedback perceives that the performance evaluation serves on the basis of promotion. The other significant relationship was found between performance evaluation serves on the basis of job satisfaction and performance evaluation serves on the basis of promotion. This means that he perceives that job satisfaction and promotion is based on performance evaluation.

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Jean-Noel Kapferer, Strategic Brand Management (Second Edition).

Uma Sekran, Research Methods of Business (Third Edition)

### **Periodicals and Newspapers**

Human resource journal 2007-2009

Dawn (articles)

The news (articles)

### **Links**

<http://sg.hudson.com/node.asp?kwd=360-degree-feedback>

[http://telecollege.dccd.edu/mgmt1374/book\\_contents/5controlling/evaltg/evaluate.htm](http://telecollege.dccd.edu/mgmt1374/book_contents/5controlling/evaltg/evaluate.htm)

<http://gom.sagepub.com/cgi/content/abstract/31/5/578>

[http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=503642](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=503642)

<http://www.heartharmony.com.au/EmployeePerformanceReviews.html>

## APPENDIX

### Questionnaire

1. Which of the following best describes the department you work in?

- a) MIS
- b) Flight operation
- c) Engineering
- d) Flight services
- e) Accounting/Finance
- f) Sales/Marketing,
- g) HR
- h) Other \_\_\_\_\_

2. Which of the following best describes your position here?

- a) Clerical
- b) Technician
- c) Managerial
- d) Accounting
- e) project management
- f) Other \_\_\_\_\_

3. How long have been working in this organization?

- a) Less than a year
- b) 1-3 years
- c) 4-6 years
- d) 7-9 years

- e) More than 10 years
4. I received adequate training to do my job well.
- a) Strongly agree
  - b) Agree
  - c) Not agree nor disagree
  - d) Disagree
  - e) Strongly disagree
5. I often worry about work issues when I am at home.
- a) Strongly agree
  - b) Agree
  - c) Somewhat agree
  - d) Disagree
  - e) Strongly disagree
6. How much are you satisfied with the current performance evaluation system of your organization?
- a) strongly satisfied
  - b) satisfied
  - c) Somewhat satisfied
  - d) Dissatisfied
  - e) Strongly dissatisfied
7. Overall how satisfied are you with your position in this company?
- a) strongly satisfied
  - b) satisfied

- c) Somewhat satisfied
  - d) Dissatisfied
  - e) Strongly dissatisfied
8. Some times performance evaluation does not identify the skilled employees?
- a) Strongly agree
  - b) Agree
  - c) Somewhat agree
  - d) Disagree
  - e) Strongly disagree
9. Do you get the feed back of your evaluation?
- a) Always
  - b) Sometimes
  - c) Never
10. Do you agree the evaluation results you get?
- a) Always
  - b) Sometimes
  - c) Never
11. Does performance evaluation serves on the basis of job satisfaction?
- a) Strongly agree
  - b) Agree
  - c) Somewhat agree
  - d) Disagree
  - e) Strongly disagree

12. Does performance evaluation serves on the basis of promotion?
  - a) Strongly agree
  - b) Agree
  - c) Somewhat agree
  - d) Disagree
  - e) Strongly disagree
13. Would you refer a friend to apply for a job at this company?
  - a) Definitely
  - b) Probably
  - c) Not sure
  - d) Probably not
  - e) Definitely not
14. In your opinion Performance evaluation should be conducted after how much time duration?
  - a) Once a year
  - b) Semi-annually
  - c) Quarterly
  - d) Monthly