

ROLE OF PERFORMANCE MANAGEMENT IN ACHIEVING ORGANISATIONAL GOALS

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ABSTRACT

The performance appraisal process is an important tool for employers to ensure that their employees are meeting their expectations and goals. It also provides employees with an opportunity to reflect on their performance and identify areas for improvement. Performance appraisal systems help undertake the crucial task of evaluating employee performance. This study enables that forced ranking appraisal influenced employees to achieve the organizational goals effectively and efficiently. Finally, it concludes that a performance appraisal system not only helps the organization evaluate its employees' performance, but also helps the employees understand their performance levels and leverage the tailored learning programs to create a structured career growth trajectory.

Keywords: Performance appraisal system, Goal setting, Self-assessment, Forced ranking.

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INTRODUCTION

Performance appraisals begin with setting clear performance expectations and goals. These expectations should be aligned with the organization's objectives and the employee's role within it. By establishing measurable targets and milestones, employees gain a clear understanding of what is expected of them, fostering a sense of purpose and direction.

The performance appraisal process is an important tool for employers to ensure that their employees are meeting their expectations and goals. It also provides employees with an opportunity to reflect on their performance and identify areas for improvement. Performance appraisal helps in making the employee's aware how well they are performing their job and guides them for future development. Promotions and pay rise for every employee can be decided by performance appraisal.

Performance appraisal evaluates the job holder's performance over a period of time against these standards and targets. Team work, integrity, initiative, dependability, decision making and judgment are the

areas in which the performances of the employees are evaluated. It also provides a feedback to the employee about how well is he performing a job. It further focuses on employee development and establishes a plan for improvement in the future.

Employee's current and future performance can be improved by training. Training helps in making the employee learn new knowledge, refine his skill set and change his attitude in order to improve his performance which can significantly improve the overall profitability of the organization. The main purpose of training is learning. It helps prepare new employees for new roles, enhance the knowledge of the existing employees by teaching them to acquire new skills. Employees can make enable to move from one job to another by giving them training which results to make the employees more confident and versatile.

REVIEW OF LITERATURE

Subramanian Kavitha (2017) Factors Influencing Employee's Job Satisfaction - An Empirical Study Among Employees of IT Sectors in Chennai City. *International Journal of Applied Business and*

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Economic Research. The main aim of this study is to identify the perceptual difference of Employees with respect to the job satisfaction of the firm and to find out the factors determining Job Satisfaction of employees in the firm. Finally, To measure the impact of job satisfaction of employees. The researcher used Simple random sampling technique has been used for analysis. Sample size of the study consists of 100 respondents. The results shows that monetary factors of salary and Non-monetary factor training and development influenced employees to get job satisfaction. Finally it concludes that job satisfaction is the main factor to increased wealth of the firm and to feel happiness to the employees.

Mok Kim Man (2021) Factors affecting the effectiveness of employees' performance appraisal in private hospitals in Malaysia. The factors are performance appraisal process which included planning, controlling and decision making, level of trust, perceived fairness and level of communication. Research questionnaires were distributed to selected private hospitals' employees to get the relevant data. Data collected were further analyzed using Statistical Package for the Social Science (SPSS) software to find out the results. The results show that only two factors which are performance appraisal process and perceived fairness have significant effect on effectiveness of performance appraisal. The results of the study can be implied by the human resource managers to improve on the significant factors that can affect the performance appraisal system.

Fulufhelo Mulidzw(2024) The Effect of Performance Appraisal on Employee Performance at The University of KwaZulu-Natal. The main aim of the study was to investigate the effect of PA on employee performance at the University of KwaZulu-Natal (UKZN). The hypothesis for this study was that the PA process will have a positive impact on employee performance at the UKZN while the null hypothesis was that the PA process will not have any impact on employee performance at the UKZN. The study employed a quantitative research method. The study also used a descriptive research design to help the researcher describe the characteristics of the population in an accurate and systematic approach. Findings showed that PA has a positive impact on employee performance at UKZN.

Kavitha (2024) Role Of Performance Appraisal On Employee Performance . Performance appraisal is a structured formal interaction between a subordinate and supervisor. It usually takes the form of a periodic interview, in which the work performance of the subordinate is assessed to provide recognition for the

work efforts and to identify weaknesses and strengths as well as opportunities for improvement, performance maximization, skills development and career perspective. The main aim of this study is to find the reasons to evaluate the performance appraisal in Deemed Universities and to analyse the impact of performance appraisal on Employee Performance. Performance appraisal evaluated by the deemed universities for employee's promotion, pay rises, valuable feedback, career progression, incentives and motivate employees to achieve high. This leads to the great impact on employee's performance.

Norbert Peter Nyoni (2024) Career Development and Employee Performance in Public Sector Organizations in Tanzania: A Case of Kondo District Council. This study aimed to make a thoroughly analysis of the two research variables of Career Development and Employee Performance within the context of Kondo District Council which is located in the city of Dodoma in Tanzania. The study concludes that Career Development programs initiatives have a positive impact on employee performance, fostering increased job performance, commitment, efficiency, and competence. Therefore, to maximize the benefits of Career Development programs, the study recommends that it is vital to promote a culture of continuous learning and development within the organization and increasing budgetary support for implementation of the public sector organizations. Additionally, streamlining and harmonizing Training and Development Policies and all other regulations related to Career Development. The management must foster high motivation to employees when they present their career planning.

OBJECTIVES OF THE STUDY

1. To analyses the various performance appraisal system implemented in the IT sector
2. To evaluate the influence of performance appraisal system on achieving the organizational goals.

HYPOTHESES OF THE STUDY

1. There is no significant difference among the various performance appraisal system implemented in the IT sector
2. There is no significant influence of performance appraisal system on achieving the organizational goals.

INFLUENCE OF PERFORMANCE APPRAISAL SYSTEM

A well-designed Performance Appraisal System (PAS) bridges the gap between individual efforts and overarching company objectives. It translates high-level business targets into specific, measurable

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employee expectations, directly influencing organizational success through enhanced goal alignment, targeted skill development, and sustained employee motivation. It ensures every team member understands exactly what is expected of them and how their daily tasks contribute to the company's bottom line or mission, minimizing wasted effort. This allows organizations to provide precise, tailored L&D (Learning and Development) initiatives, equipping the workforce with the exact skills required to drive future company goals.

The Performance Appraisal System includes eight variables and its influence on achieving organizational goals is measured through linear multiple regression analysis. The findings are given below

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.717 ^a	.681	.668	3.666

a. Predictors: (Constant), PA3, PA1, PA7, PA4, PA6, PA2, PA5

Source –Computed data

It was shown in the above table R=.717 R square = .681 and adjusted R square .668. It indicates the Performance Appraisal System variance stimulates 66.8% influence to achieve the organizational goals. The cumulative influence of eight variables of Performance Appraisal System over organizational goals is computed through the following one way analysis of variance.

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3234.857	8	404.357	30.086	.000 ^b
	Residual	5255.033	39	13.440		
	Total	8489.890	39			

a. Dependent Variable: organizational goals
b. Predictors: (Constant), PA3, PA1, PA7, PA4, PA6, PA2, PA5

Source –Computed data

It was given in the above table $f=30.086$ $p=.000$ are statistically significant at 5% level. This establishes all the eight variables cumulatively responsible for organizational goals. The individual influence of all

eight variables is clearly given in the following coefficient table.

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	21.712	.742		29.276	.000
360-Degree Feedback	-.178	.269	-.038	-.663	.508
Behaviorally Anchored Rating Scales	.210	.299	.047	.704	.482
Management by Objectives	1.397	.380	.317	3.677	.000
Continuous Check-ins	.480	.262	.103	1.833	.048
Agile Reviews	1.002	.480	.229	2.088	.037
Self-Assessment	1.552	.377	.381	4.116	.000
Forced Ranking	1.287	.261	.289	4.926	.000

a. Dependent Variable: organizational goals

Source –Computed data

It revealed in the above table Management by Objectives (Beta=.317, $t=3.677$, $p=.000$), Continuous Check ins (Beta=.103, $t=1.833$, $p=.048$), Agile Reviews (Beta=.229, $t=2.088$, $p=.037$), Forced Ranking (Beta=.289, $t=4.926$, $p=.000$), Self-Assessment (Beta=.381, $t=4.116$, $p=.000$) are statistically significant at 5% level. This enables that forced ranking appraisal influenced employees to achieve the organizational goals effectively and efficiently.

FINDINGS AND CONCLUSIONS

Performance appraisal systems help undertake the crucial task of evaluating employee performance.

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Hence, they should have a specific set of features that will help streamline the process of performance evaluations, feedback sharing, data analysis, and more. In keeping with modern trends, the system should provide you with the option to gather feedback continuously with minimal human intervention. The system should also provide easy integration options with other commonly used HR tools, making it easier to send and receive data between these systems. This study enables that forced ranking appraisal influenced employees to achieve the organizational goals effectively and efficiently. Finally, it concludes that A performance appraisal system not only helps the organization evaluate its employees' performance, but also helps the employees understand their performance levels and leverage the tailored learning programs to create a structured career growth trajectory.

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