



IMPACT OF EFFECTIVENESS OF PERFORMANCE MANAGEMENT SYSTEM ON EMPLOYEE SATISFACTION AND COMMITMENT

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ABSTRACT

Performance management system has become the backbone of any organization specifically in competitive industries like banking, pharmacy etc wherein increasing cut throat competition is new buzzword .and survival of the fittest has become the realities of the day. Poaching has emerged as latest employee recruitment strategy specifically in the today scenario wherein the banks end up paying 200% more than the previous company. The research paper therefore focuses on evaluation of effectiveness of performance management system and concurrently reviews both job satisfaction and organizational commitment. The present study therefore attempts to explore the relationship between effectiveness of performance management system and employee satisfaction and commitment. Models adopted from Allen and Meyers commitment scale and Minnesota scale of satisfaction has been used for checking the satisfaction and commitment level and factorial based questionnaire adopted from- Giller and Moss holder(1990);Brinkerhoff and Kant 1980;Cleveland, Murphy and William 1989 has been used to check the effectiveness of performance management systems. The findings suggest that there is significant correlation between performance management system and satisfaction and moderate correlation between employee job satisfaction and commitment. Therefore to conclude we can have the finding that effective performance management system is only mantra to build the loyalty index of the employee to keep them happy as happy mind work best.

Keywords: Performance management system, efficacy, job satisfaction and organizational commitment.