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EXPLORING THE IMPACT OF APPRAISAL PERFORMANCE AND HR PRACTICES ON ORGANIZATIONAL LOYALTY

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KEYWORDS	ABSTRACT
HR Practices, Organization Loyalty, Appraisal Performance	<p>HR practices are the foremost imperative tools of any organization to fulfill larger part of organizational objectives through way better work execution of representatives working within organization. The show consider was outlined to think about the nature and design of the relationship between HR practices (Recompense, Execution Assessment prepare and advancement) and work execution of workers in industrial set up. The primary objective of study is to establish a relationship between human resource practices on organizational loyalty. The data of 330 employees from the selected diverse industries were collected. The findings indicate a correlation between Performance Appraisal (HR practices) and organizational loyalty. The increased employee loyalty will boost organizational effectiveness through the retention of competent and experienced personnel, hence minimizing turnover intentions. As such, this study backs to body of information regarding impact of the human resource management on organizational loyalty. The data results might be used as a reference or guideline for future researchers.</p> <p> 2022 Journal of Social Research Development</p>
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INTRODUCTION

The performance evaluation is process wherein supervisors analyze employee contribution to businesses and identify employees' strengths and weaknesses in order to increase their productivity (Kodi & Kumar, 2021). Tan (2021) exposed that removing good person might have a significant negative influence on an organization's overall productivity. Additionally, one of the key elements affecting organization loyalty and employee turnover is its human resource policies (Alsono & Topa, 2018). The performance appraisal is an inescapable part of working life (Brown, 1988; Longenecker & Fink, 1999). Thus, many choices in the modern

organizations are based on performance appraisals, and they are extensively employed in the majority of companies ([Burkhalter & Buford, 1989](#); [Davis, 2001](#); [DeNisi, 1996](#); [Wanguri, 1995](#)). The training and HR procedures are critical for every business. It assists businesses in refining staff performance and tracking productivity. Training interventions are supposed to have beneficial outcomes for organization aims. It includes engagements like as employee knowledge development, skill building, human resource utilization, and teaching of new concepts and ideas.

The intention of an employee to freely change occupations or organizations is referred to as "turnover intention." The former refers to changing occupations or firms, whereas latter refers to workers' readiness to leave their existing employer. Individual and organizational loyalty is strength of individuals and their organizations. Employee loyalty is psychological state, psychological link between organizational management and workers that represents individual's relationship with organization wherein they work. Creating healthy companies has been a key topic for organizations interested in enhancing the health and well-being of their workforce ([Warr, 2007](#); [Fabio, 2017](#)). Job satisfaction is usually seen as a significant component or indication of personal well-being ([Warr, 2007](#); [Judge et al., 2017](#)). [Eyoum et al. \(2020\)](#) proposed that human resources play a significant role in employee performance appraisal. The performance assessment has a significant beneficial effect on an employee's performance. Therefore, appropriate performance appraisal will increase the employees' performance and enable the firm to achieve its objectives. Human resource management is inextricably linked to performance appraisal for the varied workforce and achieving the organizational goals.

According to [Dasanyaka et al. \(2019\)](#), performance is the bedrock of employee motivation, whether positive or negative. Performance appraisal enables employers to discover workers' strengths and weaknesses. Additionally, performance appraisal is merely a technique for providing training and rewarding staff. According to [Souza and Beuran \(2018\)](#), the effective human resource management strategies have a positive effect on both, the individual and organizational performance. The majority of these studies have focused on the impact of the ethically management on the performance and counter qualities such as, the OCB, with less attention paid to the relationship of the ethical leadership with other psychological aspects affecting employee performance at the division or personal scale. Additionally, effective human resource management will have enhanced employee's abilities and competencies. According to [Siyal et al. \(2020\)](#), the positive association between human resource practices and employee outcomes can only be achieved through the psychological empowerment of employees. In this connection, the employees must feel liberated and uninhibited while on the job. The employee satisfaction reduces the likelihood of emotional weariness and quitting intentions.

The employee performance and a lack of organizational commitment are major issues in businesses. The number of organizations are suffering from serious issues that are having

an impact from both individual and organizational performance. Employees nowadays are more motivated by freedom and a desire to avoid working in a despotic environment. This is fundamental motivation behind this study's re-evaluation of previous studies in order to determine causes of considerable employees' turnover and a lack of organizational loyalty (Vuleta, 2021). The majority of studies have focused on the impact of ethically management on performance and counter qualities such as OCB, with less attention paid to relationship of ethical leadership with other psychological aspects affecting employee performance at the division or personal scale (Mayer et al., 2009). Derived from empirical research, ethical leadership is currently thought to have significant impact on workers' work-related activity (Kuoppala et al., 2008). Despite all of done in topic of ethical leadership, it is still known which element has impact on employee health and psychological well-being aspects that affect ability to do job (Liu et al., 2010). Thus, on bases of these empirical grounds, it was perceived that a little contribution is required in field of leadership styles and their impact over psychological factors.

Research Gap & Objectives

Several studies have developed the connecting link of appraisal performance with different factors of employee's well-being in the organization. In this connection, this study aimed to examine the role of performance appraisal and human resource practices in determining the organizational loyalty.

1. To examine impact of performance appraisal on organizational loyalty.
2. To examine the influence of HR-practices on the organizational loyalty.

LITERATURE REVIEW

Appraisal Performance

Performance appraisal encompasses the variety of dimensions that enable the supervisor to accurately assess an employee's performance. Performance appraisals become valid when they are conducted in presence of both external and internal experts. When performance appraisal is based on objective criteria, employees will be more satisfied and their turnover rate will decrease. On the other hand, teams can occasionally have a detrimental effect on performance appraisal (Morentin et al., 2019). Solansky et al. (2018) identified the various dimensions of appropriate performance appraisal. There are 3-types of fairness (distributive, procedural, & interactive). Distributive justice implies that equal compensation will be paid to all employees with comparable capabilities and workloads. Procedural justice requires that all employees evaluate using same procedure. The term "interactive fairness" refers to performance appraisals that involve direct interaction with individual employees. Moreover, these three dimensions have the detrimental effect on the employee turnover rates; these dimensions will significantly reduce employee turnover rates. Retention of employees is only possible if they are both positively motivated and dissatisfied with jobs. Employees will experience job satisfaction and motivation if their employer conducts a fair evaluation (Martin et al., 2018).

HR Practices

Access to HR practice training and social support may have significant influence on degree of commitment created. Employees are more likely to value training programs that have a positive reputation among their coworkers, supervisors, and managers. Organizations that can create an environment in which employees support and value training will be able to achieve higher levels of commitment (Bartlett, 2001). The human resource practices play a critical role in determining employee job satisfaction. Human resource practices that are well-trained will have a positive effect on employee organizational loyalty. Implementation of these human resource practices will have significant impact on an employee's loyalty to organization. If employees remain loyal to the organization, their rate of job turnover will decrease. Loyalty will result in the organization realizing great success and profit (Giao et al., 2020). Human resource development is a critical component of an organization success and a critical task. Employees will be able to perform tasks effectively with assistance of cross-functional and intra-departmental training. When employees are able to complete tasks in accordance with organizational desires, employee satisfaction increases. Satisfied employees will always be one of the organization most valuable and loyal employees. Thus, the job performance is indivisibly linked to the employees' commitment to the organization (AVCI et al., 2018).

Organizational Loyalty

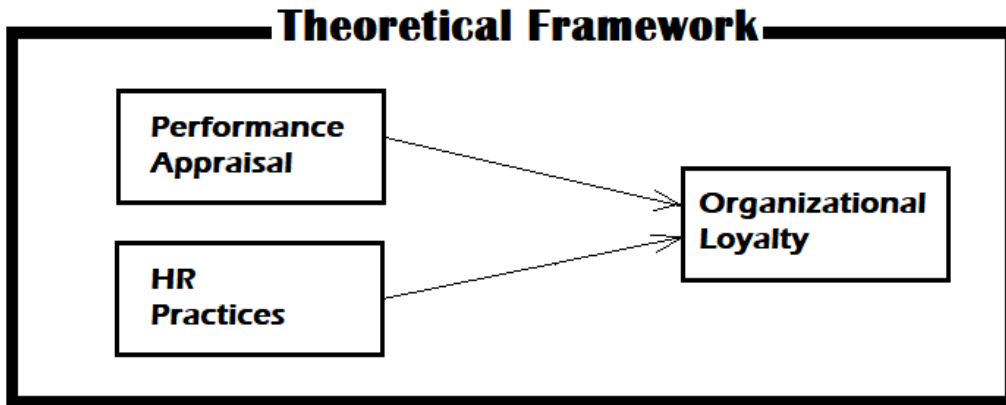
Employee motivation to leave the organization and job satisfaction will be determined by the psychological empowerment provided to employees. Employees' active engagement, intrinsic task motivation, and sense of the self-control will increase their empowerment and also have positive relationship with organization loyalty. Employee turnover will decrease, and the organization's cost of recruiting and training new employees will decrease (Alsono and Topa, 2018). Huang et al. (2020) emphasize that leader pressure and lack of innovative thinking will erode organization psychological empowerment of its workers. Psychological empowerment will increase employees' sense of reward and have a positive effect on their organizational loyalty. Ethical leadership will delve into the employees' minds and assess level of satisfaction. An ethical leader will always instill confidence in his/her subordinates, whether intrinsic/extrinsic (Jameek et al., 2020). Employees will develop strong attachment to an organization if they are satisfied with their jobs and responsibilities. Once the job requirements and employee skills are matched, workers will be committed to origination for rest of their lives. Numerous commitments have been discussed previously, including continuous commitment, active commitment, moral commitment and affective commitment (Worley et al., 2020).

Theoretical Framework

The quality of products and services, job autonomy, compensation, relationship between employees and employers, and training and development are just a few of primary human resource practices. Satisfied employees will increase employee loyalty to the organization

Satisfaction with a job must include a positive match between job task and the employee's abilities. The relationship between the variables have been constructed into the framework known as research model.

Figure 1 Proposed Research Model



Hypotheses Development

A hypothesis is an assertion that explains the connection among variables in the conceptual framework (Kerlinger, 1956). Similarly, speculation is knowledgeable wager approximately a notion. It is the Logical foundation for relationship of the variables. It serves as an initial cause of study (Leedy & Ormrod, 2001). A speculation, on the opposite hand, is declaration that explains the connection among variables (Cresswell, 1994). Following that, the study's goal is to develop the hypotheses. Thus. it displays the projected timeline for the study's completion.

RESEARCH METHODOLOGY

The aim of this study is to investigate the Impact of assessment performance and training on employee retirement intent and loyalty. This is an intermediary role in psychological empowerment. The methodology of the research is critical to the success of the study. It encompasses conceptual frameworks, research strategy, design, participants, sample size, instrumentation, the ethical considerations, pilot testing and data analysis. Research is the methodical approach to acquiring knowledge. It is the systematic method for determining discrepancy between previous and current studies (Williman & Williman, 2011). Similarly, methodology refers to the framework that serves as the foundation for the study. It refers to the systematic manner in which the study conducted and to study's design and strategy (Brown, 2006).

Research Design

The present day observe tested effect of appraisal overall performance and HR practices on organizational loyalty. Also, connection of appraisal empowerment and organizational

loyalty additionally investigated. All the variables are measured thru tailored questionnaire. That is a causal look at wherein effect of appraisal performance on organizational loyalty beneath towards mediating function of mental empowerment could be measured on such foundation as self-stated notion regarding the respondents close to those variables. The studies can be quantitative in nature where statistics accumulated from number one sources may be analyzed.

Research Approach

To satisfy over specified goals, taking after investigate technique was utilized: Test: A test of 512 respondents working in steel and control businesses of Chhattisgarh was drawn by Helpful Testing Strategy. The age of respondents extended between 21 to 55 a long time Lion's share of the respondents was BE/ B. Tech qualified. Apparatuses: A. HR Hones: The survey for the HR hones comprises of 15 things comprising of three HR hone degree viz. stipend, execution assessment prepare and advancement, which was based on the 5-point Likert scale (Emphatically oppose this idea to unequivocally concur) created by [Teseema and Soeters \(2006\)](#). This frame of citizenship behavior is clearly diverse from the assignment execution and inquire about detailed by [Dyne, Graham and Dienesch \(1994\)](#) demonstrated that it is additionally discernable from shapes of OCB and has to some degree diverse forerunners and results. Related conceptualizations have appeared within writing within shape of locks in in the faithful boosterism ([Moorman & Blakely, 1995](#)); spreading goodwill ([George & Jones, 1997](#)); and supporting, supporting, and defending organizational goals ([Borman & Motowidlo, 1993](#)).

One reason why dependability could be imperative determinant of examinations relates to the common recognition that commitment to organizations in present-day work situations is on the decay ([Johnson, 2005](#)). Devotion behaviors are, in the numerous ways, behavioral appearances of organizational commitment. Undoubtedly, the supporting and protecting the organization to untouchables, remaining committed to organization indeed in upsetting circumstances, and contributing to its great notoriety all appear to be behaviors reliable with state of mind of full of feeling commitments to organization. On the off chance that directors accept that commitment is on the decrease, as detailed within the trade press ([Johnson, 2005](#)). Instrument and measures survey comprised of two segments, the primary segment contains common data about employer's contact number and e-mail address. Moment area related to questions that secured the organizational execution (seven things), representative execution (5-things), representative progress (three things), representative commitment (three things) and worker commitment (5- things). These questions were made after facto examination.

Besides, the questions in segment one comprises of ostensible scale. The scale to degree organizational execution, worker execution, and worker advancement and representative commitment was Likert scale positioning (5- Point) where 1 is most noteworthy degree of difference and 5 is slightest degree of understanding. The measurable package for social

sciences program was utilized for examination and AMOS utilized to test demonstrate. It is an adjusted survey based on SHRM measurements and organizational execution. Scale was produced from distinctive inquire about papers of analysts. The table illustrates untiring quality of each measurement of survey. Representative progress four things with unwavering quality of 0.820 and representative execution (3-things) with unwavering quality of 0.781, while, commitment (5-things) has unwavering quality of 0.866, at long last, execution (7-things) has least unwavering quality of 0.730. Unwavering quality record for the instrument (19-things) is 0.899

RESULTS & DISCUSSION

Factor analysis, descriptive statistics, mean, median, mode, standard deviation, frequencies and percentages with 95% confidence intervals were used in this study. The significance test and the test of association were used for inferential analysis. This section describes the participants socio-demographic background such as age, gender, education, marital status, and years of experience.

Table 1 Age Distribution among Participants

Age	No. of Participants	Percentage (%)
18-25	81	24.5
26-40	120	36.4
41-50	86	26
51-60	43	13

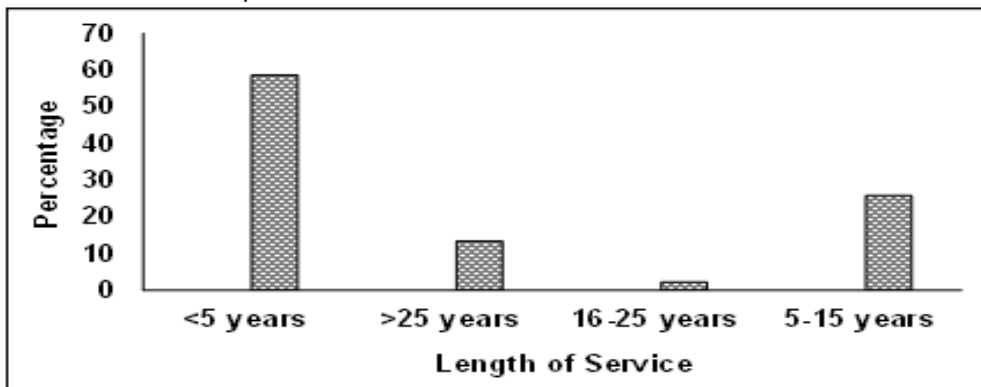
Table 2 Socio-Demographic Characteristics of Respondents

	Variables	No. of Participants	%
Gender	Female	171	51.8
	Male	159	48.2
Marital Status	Single	100	30.3
	Married	230	69.7
Education	Certificate	23	6.9
	Degree	102	30.9
	Associate Degree	95	28.8
	Post-Graduation	110	33.3
Designation	Senior Manager	119	36.1
	Middle-level Manager	98	29.7
	Non-management Staff	113	34.2

Tables suggests the age distribution of participants that is primarily based totally on their gender. Approximately 24.5 percentage of these surveyed had been among the whole of 18 and 25, 36.4 percentage have been among the long time of 26 and 40, 26 percentages had been among the whole of 41 and 50, and 1. Three percentage have been among the

whole of 51 and 55, consistent with the table. (51-60 years of age). In total, 330 members of the human resource management team participated in this study. In the field of human resource management, the mean and standard deviation of the work experience were 8.76 and 5.92 years, respectively. The study also included 119 senior managers, 98 middle-level managers, and 113 non-management staff members, with a mean and standard deviation of 18.8 5.5 years of work experience, and an average of 9.5 7.3 years of the management experience. Table 4.2 presents a summary of the demographic characteristics of those who participated in the study.

Graph 1 Years of Work Experience for HRM Staff



On the basis of the graph above, 71 (21.5%) of human resource management employees have more than 25 years of the experience, 90 (27.3%) have between 5 and 15 years of experience, 55 (16.7 %) have between 16 and 25 years of the experience, and 114 (34.5 %) have less than 5 years of experience. As revealed by the findings, vast majority of human resource management employees had a positive attitude about the characteristics under consideration. Overall, more than half of the human resource management professionals had a positive attitude about outcome dimensions and the importance of the performance appraisals. The performance appraisal approach, on the other hand, was seen favorably by less than half of the human resources employees. Table 3 offers detailed responses to the respondents' perceptions of their current performance appraisal, which are included in the required questionnaire.

Table 4 Means, SDs & Inter-Correlations among Variables

Variables	Mean	SD	1	2	3
1: Organizational Loyalty	4.851	0.582	(0.81)		
2: Appraisal Performance	5.277	0.856	0.551**	(0.919)	
3: HR Practices	4.27	0.74	0.37**	0.28**	(0.77)

The means, standard deviations, internal reliabilities, and inter-correlations are among the variables, which are reported in Table 3. In table 4, internal reliabilities of all metrics were

strong, ranging from 0.70 to 0.93 for entire set of data. Excitingly, appraisal performance has the highest mean value (5.27), followed by psychological empowerment, which has the lowest mean value (4.85) and the lowest standard deviation (SD) (0.58). When it came to creativity, both mean (4.27) and standard deviation (0.74) fell within the expected range. Also, correlation coefficients ranged between 0.09 to 0.81 and were significant at 0.01 level of statistical significance.

Table 5 Regression Estimates

	UC		SC		Probability	Remarks
	B	SE	B	CR		
Appraisal Performance → Organizational loyalty	1.330	0.168	0.652	7.90	0.000	Hypothesis 1 Accepted
HR Practices → Organizational Loyalty	0.246	0.246	0.281	5.03	0.000	Hypothesis 2 Accepted

CONCLUSION

The results of present study provide significant information in deciding about the desired relationships among research variables under considerations in extracting the information and reaching the desired outcomes to reach the conclusion and make the decisions from results. The conclusion Based on over investigate, this study discovers out that employee’s improvement altogether increments typical commitment to work; essentially, execution of representatives has critical impact on employees’ commitment to distinctive assignments relegated. As result, representative’s commitment leads to altogether increment generally organizational loyalty. There are certain restrictions to consider which should be specified here like the sample measure of study is small, so it cannot be generalized in this manner think about may well be generalized by expanding test estimate to have a more extensive focus. The comes about can be tried by including modern factors to the demonstrate for illustration criticism, mentoring, on work preparing etc. in any case, it can be expanded to other organizations as well, for case, keeping money division, protections companies and development companies.

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