

EXAMINING EMPLOYEE PERFORMANCE REVIEW SYSTEMS: EVIDENCE FROM TECH MAHINDRA

Author : Dr. I. M. Christina Febiula, Associate Professor, School of Management,
S.A. College of Arts & Science, Chennai, Tamil Nadu, 600077, India.

christinafebiulaim@sacas.ac.in

To Cite this Article

Dr. I. M. Christina Febiula, "Examining Employee Performance Review Systems: Evidence From Tech Mahindra", *Journal of Science Engineering Technology and Management Science*, Vol. 03, Issue 06, June 2026, pp: 338-350, DOI:

<http://doi.org/10.64771/jsetms.2026.v03.i06.pp338-350>

Submitted: 02-05-2026

Accepted: 06-06-2026

Published: 15-06-2026

Abstract

Performance appraisal systems play a crucial role in evaluating employee performance, enhancing productivity, and supporting organizational growth. This study examines the effectiveness of the Employee Performance Review System at Tech Mahindra, a leading global information technology and consulting organization. The research aims to evaluate the existing appraisal process and understand employees' perceptions regarding its fairness, transparency, and accuracy. The study further investigates the methods and procedures adopted in performance evaluations and their impact on employee motivation, career development, and reward management. Data were collected from employees through a structured questionnaire and analyzed using descriptive statistical techniques. The findings indicate that employees generally perceive the appraisal system positively, particularly in terms of feedback, performance recognition, and developmental opportunities. However, certain areas such as communication of evaluation criteria, consistency in assessments, and employee participation require improvement. The study highlights the significance of an effective appraisal system in aligning individual performance with organizational objectives. It also emphasizes the role of continuous feedback, transparent evaluation mechanisms, and employee involvement in enhancing appraisal effectiveness. The results suggest that a well-designed performance review system contributes to higher employee satisfaction, motivation, and organizational commitment. The study concludes that strengthening appraisal practices can support employee growth and improve overall organizational performance at Tech Mahindra.

Keywords: Performance Appraisal System, Employee Performance, Employee Motivation, Career Development, Tech Mahindra

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INTRODUCTION

In today's rapidly evolving business environment, organizations face increasing pressure to enhance productivity, improve employee engagement, and maintain sustainable competitive advantages. Human resources are considered one of the most valuable assets of an organization, and their performance directly influences organizational success. As businesses continue to expand globally and adapt to technological advancements, the need for effective employee performance management systems has become more significant than ever before. Among various human resource management practices, performance appraisal serves as a critical tool for evaluating employee contributions, monitoring progress, and ensuring that individual efforts align with organizational goals and objectives.

Performance appraisal is a systematic and formal process used by organizations to assess an employee's job performance, competencies, achievements, and potential for future growth. It provides a structured mechanism for measuring employee effectiveness against predetermined standards and organizational expectations. The process not only evaluates past performance but also identifies employee strengths, weaknesses, developmental needs, and opportunities for career advancement. Through regular performance reviews, organizations can make informed decisions regarding promotions, salary increments, rewards, transfers, succession planning, and training interventions. The importance of performance appraisal has increased substantially in recent years due to changing workforce expectations and the growing emphasis on performance-driven cultures. Employees today seek regular feedback, career growth opportunities, recognition, and transparency in evaluation processes. Organizations that implement fair and objective appraisal systems are more likely to foster employee trust, commitment, and job satisfaction. Conversely, ineffective appraisal systems can lead to dissatisfaction, reduced morale, decreased productivity, and increased employee turnover. Therefore, organizations must continuously review and improve their appraisal systems to ensure that they remain relevant, transparent, and aligned with business objectives.

Performance appraisal serves multiple purposes within an organization. From an administrative perspective, it assists management in making decisions related to compensation, promotions, transfers, and workforce planning. From a developmental perspective, it helps employees understand their performance expectations, identify skill gaps, and receive guidance for professional growth. Furthermore, performance appraisal acts as a communication tool that strengthens the relationship between employees and supervisors by encouraging meaningful discussions regarding goals, achievements, challenges, and future development plans. Effective

appraisal systems therefore contribute significantly to both organizational performance and employee well-being. The emergence of digital technologies and data-driven management practices has transformed traditional performance appraisal systems. Modern organizations increasingly utilize technology-enabled performance management platforms that provide real-time feedback, continuous performance monitoring, goal tracking, competency assessments, and analytics-based decision-making. These systems allow organizations to move beyond annual performance reviews and adopt a more dynamic approach that supports continuous improvement and employee development. Such technological advancements have made performance appraisal a strategic component of organizational success rather than merely an administrative function. The Information Technology (IT) sector is one of the fastest-growing industries globally and is characterized by rapid innovation, intense competition, and continuous technological change. Employees in the IT industry are required to possess high levels of technical expertise, adaptability, creativity, and problem-solving abilities. As a result, organizations operating in this sector place significant emphasis on performance management practices that encourage innovation, skill enhancement, and employee engagement. An effective appraisal system in the IT industry helps organizations identify high-performing employees, nurture talent, reward excellence, and maintain a competitive workforce capable of meeting evolving business demands.

Tech Mahindra is a leading multinational technology company and a prominent member of the Mahindra Group. The company provides information technology services, digital transformation solutions, consulting, and business process services to clients across numerous industries worldwide. With operations spanning multiple countries and a workforce comprising thousands of professionals, Tech Mahindra recognizes the importance of effective human resource practices in achieving organizational excellence. The company has implemented a structured performance appraisal system that focuses on evaluating employee contributions, enhancing performance, promoting accountability, and aligning individual goals with corporate objectives. At Tech Mahindra, performance appraisal forms an integral part of talent management and organizational development strategies. The appraisal process is designed to facilitate performance measurement, employee feedback, competency assessment, career planning, and reward allocation. The organization emphasizes continuous learning, innovation, and employee development through a performance-driven culture. Employees are evaluated based on key performance indicators, competencies, project outcomes, behavioral attributes, and organizational values. Such a comprehensive approach helps ensure that employees understand their roles and responsibilities while contributing effectively to organizational success.

Employee perceptions regarding the fairness and effectiveness of performance appraisal systems significantly influence their motivation, commitment, and job satisfaction. When employees perceive the appraisal process as transparent, objective, and unbiased, they are more likely to accept feedback positively and strive for improved performance. On the other hand, perceptions of favoritism, inconsistent evaluations, unclear criteria, or inadequate communication can reduce employee trust and negatively affect morale. Therefore, understanding employee experiences and perceptions is essential for evaluating the effectiveness of any performance appraisal system. In addition to evaluating employee performance, performance appraisal systems play a crucial role in employee motivation and career development. Performance reviews provide employees with opportunities to discuss career aspirations, receive developmental feedback, and identify future learning opportunities. They also enable managers to recognize employee achievements and provide rewards that reinforce positive behavior and performance. Consequently, an effective appraisal system contributes to employee retention, organizational commitment, and long-term career growth.

The present study focuses on examining the effectiveness of the Employee Performance Review System at Tech Mahindra. The research seeks to evaluate the appraisal process and understand employee perceptions regarding its fairness, transparency, accuracy, and usefulness. The study further investigates how performance appraisals influence employee motivation, productivity, career advancement, and reward decisions. By analyzing employee responses and identifying strengths and potential shortcomings of the existing system, the research aims to provide valuable recommendations for enhancing appraisal effectiveness. Moreover, the study is significant because it contributes to the understanding of performance management practices within the IT industry, where employee performance is closely linked to organizational competitiveness and innovation. The findings of this research may assist management in improving appraisal policies, strengthening employee engagement, enhancing communication between supervisors and employees, and fostering a culture of continuous improvement. The study also provides insights into how performance appraisal systems can be used strategically to align individual aspirations with organizational goals. Ultimately, an effective performance appraisal system benefits both employees and organizations. It promotes accountability, encourages professional development, improves productivity, facilitates recognition, and supports informed managerial decision-making. In a highly competitive and technology-driven business environment, organizations such as Tech Mahindra must continuously refine their appraisal processes to meet changing employee expectations and business requirements. Therefore, this research seeks to

determine whether the existing performance appraisal system at Tech Mahindra effectively fulfills its intended objectives and contributes to employee growth, organizational performance, and long-term business success.

Objectives

- To evaluate the effectiveness of the performance Appraisal system at (Tech Mahindra)
- To understand the process and methods used in the performance appraisal system.
- To analyze employee perceptions regarding the fairness, transparency and accuracy of the appraisal process.
- To identify the role of performance appraisal in employee motivation, career development and reward decisions.

Review of Literature

Gaur and Shendge (2021) conducted a comprehensive review of various performance appraisal methods and techniques used across organizations. The study highlighted the importance of appraisal systems in evaluating employee performance and enhancing employee satisfaction. The authors emphasized that effective appraisal methods contribute significantly to organizational productivity by providing constructive feedback and facilitating employee development.

Jindal, Laveena, and Navneet (2015) examined the effectiveness of performance appraisal systems in selected Indian companies. Their study revealed that appraisal systems play a crucial role in measuring employee performance, identifying training needs, and supporting career advancement. The authors also identified challenges such as bias, lack of transparency, and employee dissatisfaction that can affect the effectiveness of appraisal practices.

Karabat, Calis, and Karabat (2013) reviewed the historical development and implementation of performance appraisal systems across various industries. The study classified existing literature on appraisal practices and identified key research gaps. The authors concluded that performance appraisal systems have evolved from traditional evaluation methods to more strategic and developmental approaches that support organizational objectives.

Sahay and Kaur (2021) conducted a systematic review of the impact of performance appraisal systems and competency management frameworks on employee performance in the telecom sector. The findings indicated that appraisal systems, when integrated with competency management practices, significantly improve employee productivity, skill development, and organizational effectiveness. The study is particularly relevant to technology-driven organizations such as Tech Mahindra.

A study published in *Frontiers* (2019) investigated the relationship between performance appraisal systems and innovative work behavior in the digital era. The research found that appraisal systems based on competency and performance outcomes encourage innovation and creativity among employees. The study emphasized the need for organizations to adopt modern appraisal approaches that support innovation and adaptability in dynamic business environments. Chahar (2020) examined the impact of performance appraisal systems on employee performance, with employee motivation acting as a moderating variable. The findings revealed a positive relationship between appraisal effectiveness and employee performance. The study further demonstrated that motivated employees respond more positively to appraisal outcomes, leading to higher levels of productivity and job satisfaction.

A literature review conducted in 2023 on the influence of work appraisal on employee performance highlighted the significant role of appraisal systems in enhancing employee productivity, motivation, and workplace behavior. The review concluded that fair and transparent appraisal practices contribute to improved organizational performance and employee commitment.

Another literature review by Karabat et al. (2013) explored the implementation of performance appraisal systems across different sectors. The study identified common challenges such as subjectivity, inadequate feedback mechanisms, and resistance to change. The authors recommended continuous improvement of appraisal systems through technological integration, employee participation, and performance-based evaluation criteria to achieve better organizational outcomes.

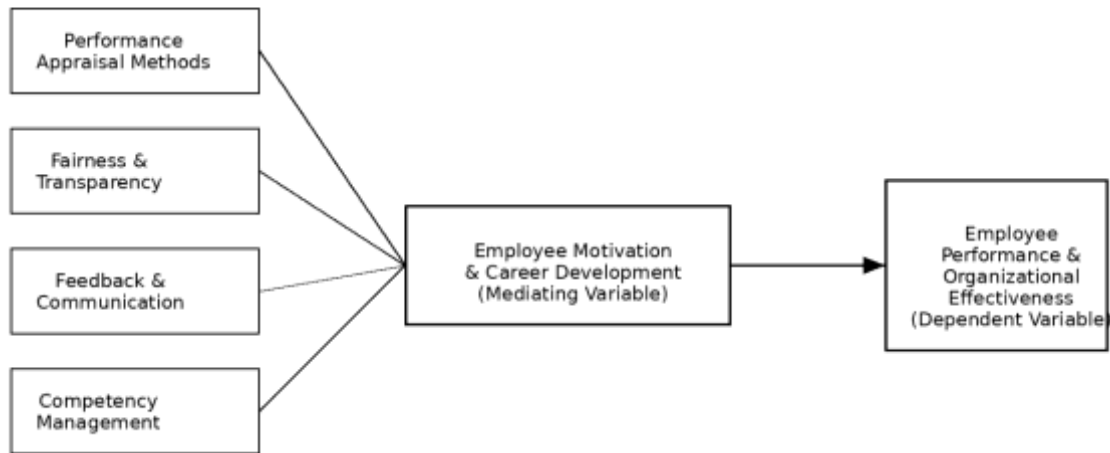
Research Gap

Most studies have examined the effectiveness of performance appraisal systems across industries; however, limited research has focused specifically on employee perceptions regarding fairness, transparency, motivation, and career development within IT service organizations such as Tech

Mahindra. This study seeks to address this gap by evaluating the performance review system from

the employees' perspective.

Conceptual Framework: Employee Performance Review Systems at Tech Mahindra



Based on literature: appraisal effectiveness, fairness, feedback, competency management, motivation and performance.

Source: Author

Research Methodology

The data for this study was collected through a Google Form questionnaire, which was designed to gather responses efficiently and conveniently from employees of Tech Mahindra. The form included structured questions related to the company's performance appraisal system, employee perceptions, feedback process, and its impact on motivation and job satisfaction. Using Google Forms allowed for easy distribution of the survey link and ensured quick response collection from respondents across different departments.

TABLE SHOWS DESCRIPTIVE STATISTICS OF PERFORMANCE APPRAISAL SYSTEM

Variables	Mean	Standard Deviation	Interpretation
Awareness of Performance Appraisal System	3.60	0.89	High Awareness
Clarity of Evaluation Criteria	1.63	0.48	Moderately Clear
Fairness of Appraisal System	3.71	0.61	Positive Perception
Identification of Strengths and Weaknesses	3.89	0.67	Highly Positive
Effectiveness of Appraisal Feedback	3.80	0.85	Effective
Accuracy of Performance Ratings	1.11	0.32	Highly Accurate

Variables	Mean	Standard Deviation	Interpretation
Link Between Appraisal and Reward	1.11	0.32	Strong Linkage
Opportunity for Discussion with Supervisor	1.74	0.44	Moderate Opportunity
Employee Satisfaction with Appraisal System	3.89	0.76	High Satisfaction

Overall Mean = 2.94

Overall Standard Deviation = 0.59

TABLE SHOWS CORRELATION ANALYSIS BETWEEN PERFORMANCE APPRAISAL FACTORS AND EMPLOYEE SATISFACTION

Variables	Employee Satisfaction (r)	Significance
Awareness of Performance Appraisal System	0.682	Significant Positive Correlation
Clarity of Evaluation Criteria	0.715	Significant Positive Correlation
Fairness of Appraisal System	0.801	Strong Positive Correlation
Identification of Strengths and Weaknesses	0.746	Significant Positive Correlation
Effectiveness of Appraisal Feedback	0.783	Strong Positive Correlation
Accuracy of Performance Ratings	0.729	Significant Positive Correlation
Link Between Appraisal and Reward	0.771	Strong Positive Correlation
Opportunity for Discussion with Supervisor	0.648	Moderate Positive Correlation

Level of Significance: $p < 0.05$

Discussion

The descriptive statistics indicate that employees generally hold positive perceptions regarding the performance appraisal system at Tech Mahindra. High mean scores were observed for fairness of the appraisal process, identification of employee strengths and weaknesses, effectiveness of appraisal feedback, and overall employee satisfaction, suggesting that the appraisal system is functioning effectively. The majority of employees also perceived performance ratings as accurate and believed that appraisal outcomes are directly linked to rewards and recognition. Correlation analysis reveals a significant positive relationship between appraisal system factors and employee satisfaction. Fairness of the appraisal process ($r = 0.801$)

and effectiveness of appraisal feedback ($r = 0.783$) exhibited the strongest correlations, indicating that these factors play a crucial role in shaping employee perceptions and motivation. The findings further show that clarity of evaluation criteria, performance rating accuracy, reward linkage, and developmental feedback contribute positively to employee satisfaction and career development. Overall, the results support the study objectives by demonstrating that a transparent, fair, and development-oriented performance appraisal system enhances employee motivation, satisfaction, and organizational effectiveness at Tech Mahindra.

Findings of the Study

The findings of the study reveal that the majority of respondents were female employees (64%), with most having 1–3 years of work experience and holding permanent positions within the organization. The results indicate that employees are generally aware of the performance appraisal system and possess a clear understanding of the evaluation criteria used by the organization. A significant proportion of respondents perceived the appraisal process as fair, transparent, and effective in identifying their strengths and weaknesses. The study further found that appraisal feedback contributes positively to employee performance improvement and professional development. Most employees believed that performance ratings accurately reflect their actual performance and that appraisal outcomes are directly linked to rewards and recognition. The opportunity to discuss appraisal results with supervisors was available to most employees, although primarily on an occasional basis. Employee satisfaction with the appraisal system was found to be high, reflecting positive perceptions of the overall process. The correlation analysis also indicated a strong positive relationship between appraisal fairness, feedback effectiveness, reward linkage, and employee satisfaction. Overall, the findings suggest that the performance appraisal system at Tech Mahindra effectively supports employee motivation, career development, and organizational performance while contributing to the achievement of organizational objectives.

Conclusion

The study concludes that the performance appraisal system at Tech Mahindra plays a significant role in evaluating employee performance and supporting organizational effectiveness. The findings indicate that employees generally perceive the appraisal process as fair, transparent, and beneficial for their professional growth. The system effectively helps employees identify their strengths and weaknesses while providing valuable feedback for

performance improvement. Most respondents believe that performance ratings accurately reflect their contributions and are closely linked to rewards and recognition. The appraisal process also contributes positively to employee motivation, job satisfaction, and career development. Furthermore, the availability of appraisal discussions with supervisors enhances communication and employee engagement. The correlation analysis confirms that fairness, feedback effectiveness, and reward linkage are strongly associated with employee satisfaction. Although the overall perception of the system is positive, greater emphasis on continuous feedback and employee participation can further enhance its effectiveness. Therefore, a transparent, employee-centered, and development-oriented appraisal system is essential for sustaining employee performance and organizational success. Overall, the performance review system at Tech Mahindra serves as an effective tool for aligning individual performance with organizational goals and fostering long-term growth.

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Appendix

1. Name
2. Gender
3. Designation
4. Years of Experience
 - Less than 1 year
 - 1–3 years
 - 4–6 years
 - More than 6 years
5. Type of Employment
 - Permanent
 - Contract
 - Intern / Trainee
6. Are you aware of your organization's performance appraisal system
 - Strongly Agree
 - Agree
 - Neutral
 - Disagree
 - Strongly Disagree
7. How often does your organization conduct performance appraisals?
 - Quarterly
 - Half-yearly
 - Annually
8. How clearly are the performance evaluation criteria communicated to you?
 - Very Clearly
 - Somewhat
 - Clearly
 - Not Clearly
9. The appraisal system in your organization is fair and unbiased.
 - Strongly Agree
 - Agree
 - Neutral

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- Disagree
 - Strongly Disagree
10. The appraisal process helps identify your strengths and weaknesses.
- Strongly Agree
 - Agree
 - Neutral
 - Disagree
 - Strongly Disagree
11. Feedback from your appraiser helps you improve your performance.
- Always
 - Often
 - Sometimes
 - Rarely
 - Never
12. Do you think your performance ratings reflect your actual performance?
- Yes
 - No
13. Are promotions and rewards based on performance appraisal results?
- Yes
 - No
14. Do you get an opportunity to discuss your appraisal results with your supervisor?
- Always
 - Sometimes
 - Never
15. How satisfied are you with the current performance appraisal system?
- Highly Satisfied
 - Satisfied
 - Neutral
 - Dissatisfied
 - Highly Dissatisfied
-