International Journal of Web of Multidisciplinary Studies
(Peer-Reviewed, Open Access, Fully Refereed International Journal)
website: https://ijwos.com
Volume 3 Issue 9, September 2026
E-ISSN : 3049-2424
DOI: https://doi.org/10.71366/ijwos

Bridging Appraisal and Career Longevity: The Mediating Role of Strategic Alignment in Competency-Based Performance Management

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Article Info

Article History:
Published: 23 Sept 2026

Publication Issue:
Volume 3, Issue 9
September-2026

Page Number:
386-399

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Abstract:

Modern organizations face rapid technological shifts, market disruptions, and high employee turnover. While many companies use competency-based performance appraisals instead of old-fashioned trait ratings, we still don't fully understand how these appraisals help build long-term, thriving careers. This study looks at how different parts of competency-based performance appraisals impact sustainable career development, focusing on the key role that strategic alignment plays. Drawing on the Resource-Based View, Social Exchange Theory, and Conservation of Resources Theory, we tested whether combining clear competency frameworks, quality feedback, and goal clarity can protect psychological and professional well-being over a long career. Using a mixed-methods design, we gathered quantitative data from 600 middle managers and technical professionals in Information Technology (300) and Manufacturing (300) across six major industrial hubs in India. Structural equation modelling and bootstrapping analyses showed that competency-based performance appraisals have a strong direct positive effect on sustainable career development ($\beta = 0.43$, $p < 0.001$). They also have a clear indirect effect through strategic alignment ($\beta = 0.24$, $p < 0.001$), which accounts for 35.8% of the overall effect ($\beta = 0.67$). Among all variables, the quality of feedback stood out as the single strongest predictor of career sustainability ($\beta = 0.41$).

Keywords: Appraisal, Career longevity, Strategic Alignment, Competency, Performance Management

1. Introduction

The world of global enterprises is constantly evolving, driven by digital automation, artificial intelligence, shifting market needs, and evolving sustainability challenges. Such changes have led to the development of new structures and organizational designs, and to the replacement of traditional, control-oriented human resource management processes with new, more strategic and capability-oriented approaches. The transition of this organizational is mainly based on performance appraisal systems. Conventional assessments are typically backward-looking systems that are built around disciplinary action, distribution quotas, and compensation, and have failed to effectively develop future ready skills and employee engagement. Performance-based assessments, however, that are based on observable competencies or clusters of knowledge, skills, abilities, and professional conduct needed for continued organizational success and personal growth, are becoming an alternative strategy as the demands for dynamic knowledge continue to increase.

Although competency modeling has become well known and widely used in today's business-world, there is a paradox in the organization. Companies invest in competency dictionaries, digital tracking systems and structured review systems, but one in four workers leaves the organization before the end of their first year, and distress in their occupations is common. High velocity knowledge work environments like the information technology sector have

appraisals that are conducted at a high frequency, while members of the workforce often suffer from the shortfall of being able to be trained quickly and severely from a perspective of psychological fatigue. In contrast, in industrial manufacturing settings, assessments can continue to be based on old-style hierarchical models and functions, resulting in a lack of support for highly skilled employees from the shop floor and engineering working in the context of Industry 4.0 automation. In both contexts, firms have a policy of using the appraisal system to assess short-term workplace goals, but not future career sustainability.

This disconnect exposes an empirical and theoretical issue; traditional HR metrics capture the existence and the process of implementation of the appraisal tools, but do not account for the lack of effective career outcomes. According to emerging scholarship, a sustainable career is a multi-decade path that is dynamic in three interdependent areas: productivity, occupational health, and subjective career happiness. Existing research has commonly focused on competency assessment and career development as separate strands of research, missing the link between competency assessment characteristics and their impact on the three dimensions of sustainability. Moreover, existing studies have not presented any empirical models that have been validated in terms of individual career and corporate organizational goals alignment as a bridge.In addition, there are no models that have been validated through empirical studies that explore the strategic alignment between individual career and corporate organizational goals as a bridge.

This study is about the structural relationship between competency based performance management and sustainable career development. In particular, it examines how the three key dimensions of appraisal – competency mapping accuracy, developmental feedback quality and goal clarity – impact employee productivity, health and career happiness. It also examines if strategic alignment is an important intervening mechanism between formal performance evaluations and the attainment of sustainable career paths. This study empirically validates the Sustainable Career Alignment Model, showing how systemic alignment transforms performance appraisal from a paper administration task into a driving force for increased workforce resiliency, by drawing comparisons across large-scale enterprises in the high velocity services context and capital-intensive manufacturing.

2. Theoretical foundations and conceptual model

In this study, three popular theoretical perspectives are combined to conceptualize the pathways from performance appraisals to multidimensional career longevity: The Resource-Based View of the firm, Social Exchange Theory, and the Conservation of Resources Theory. Both of these views reflect the strategic, relational and psychological mechanisms that shape human capital sustainability.

The Resource Based View suggests that an organization can create and sustain a competitive edge by developing assets that meet the four requirements of being valuable, rare, inimitable and non-substitutable. Prahalad and Hamel took this concept further and illustrated how a strategic advantage can be achieved by building internal core capabilities – which is the sum of the learning and coordination of a number of technical and operational skills across the various business units. Human capabilities are the very essence of these core competencies in the modern knowledge-based economies. Competency-based performance appraisals are the institutionalization procedures by which an enterprise identifies, evaluates and systematically develops these valuable and scarce human resources. As Wright and McMahan pointed out, human resource practices must be packaged into consistent configurations in order to create competitive value; they cannot create competitive value unless they are linked to the larger corporate strategy. If competency profiling is not aligned with strategy, it fails to serve a development purpose and becomes a mere 'labeling exercise' that does not foster the development of unique human resources to guarantee organisation's survival.

This resource framework at the macro level is complemented by an interpersonal and motivational one, namely a Social Exchange Theory. Social Exchange Theory is based on Blau and Gouldner's universal norm of reciprocity and is an explanation that states that employment relationships rely on informal psychological contracts and perceived obligations as a result of exchange. An appraisal process which gives employees high quality appraisal feedback,

which is actionable, and developmentally forward looking, is seen as a real investment by the organisation in its human capital. This dynamic sets in motion Perceived Organizational Support. When employees perceive that the organisation is investing in them to develop them, they in turn commit more to the organisation, learn proactively more, and put in more discretionary effort. On the other hand, if evaluations are seen as essentially as a punishment, an administrative matter, or as isolated from growth opportunities, the psychological exchange contract is broken, resulting in emotional withdrawal and voluntary turnover. This study is based on Hobfoll's Conservation of Resources Theory, to consider physiological and psychological longevity of workers. Conservation of Resources Theory suggests that humans have an innate motivation to seek, safeguard and conserve valuable resources, which can be classified as material, individual abilities, time and psychological energy. Stress and occupational burnout occur when people feel a sudden threat of loss of resources, when they have exhausted resources, or when they have made a big investment and still cannot obtain resources. With rapid technological shifts in today's fast-changing work environments, the threat of job skills becoming obsolete is a constant, and anxiety and stress spirals occur. A properly designed competency assessment is an institutional process of replenishment of resources. Competency management stops the downward spiral of resources and encourages positive spirals of resources by addressing capability gaps early and systematically and providing developmental support. The protective function is in line with the Job Demands-Resources model, which states that high demands in the company only result in chronic burnout when the developmental resources of the company are missing.

Synthesizing these foundations, this study frames sustainable career development through the tripartite conceptualization advanced by De Vos, Van der Heijden, and Akkermans, encompassing three distinct pillars:

1. *Productivity* is defined as sustained task effectiveness, internal and external marketability, and competency currency maintained across life stages.

2. *Health*, defined as occupational well-being, preservation of psychological stamina, effective work-life balance, and structural absence of chronic burnout.

3. *Happiness* is defined as subjective career satisfaction, value-trajectory congruency, and the perceived alignment between personal identity and long-term career progression.

Within this theoretical architecture, the Sustainable Career Alignment Model posits that competency-based performance appraisals influence sustainable career development through two simultaneous pathways: a direct relationship, whereby the diagnostic clarity and developmental specificity of the appraisal immediately provide psychological and professional resources to the employee, and an indirect relationship, mediated through Strategic Alignment. Strategic alignment is operationalized as the extent to which appraisal outputs, developmental targets, and organizational performance expectations systematically mirror and reinforce individuals' long-term career aspirations.

Accordingly, this study formulated the following core hypotheses:

- **H1:** There is a significant positive relationship between the clarity of competency mapping in appraisals and employees perceived internal employability.
- **H2:** Strategic alignment mediates the relationship between competency-based performance appraisal processes and career satisfaction.
- **H3:** The overall impact of competency-based appraisals on multi-dimensional career sustainability differs significantly across industrial sectors owing to varying feedback dynamics and organizational velocities.

3. Methodology

3.1 Research Philosophy and Approach

The present study is of an empirical nature, which falls under the research philosophy of pragmatism. Pragmatism is a suitable epistemological orientation for applied management scholarship, since it emphasizes how to solve practical issues in the organization with quantitative and qualitative approaches. The inquiry takes a deductive approach and focuses on the major logical pathway, making deducible hypotheses from the resource-based view, social exchange theory and conservation of resources theory, and adding an inductive and qualitative element to elucidate the mechanisms that are socially and organizationally involved.

3.2 Research Design

The study design for this investigation is a cross-sectional mixed method (sequential explanatory). This was two part: A large scale quantitative survey phase testing the hypothesized structural model; A semi-structured interview phase with executive human resource practitioners, that was part of the qualitative phase. The qualitative phase is used to explain, describe, and confirm the quantitative relationships found in the main structural model.

3.3 Universe and Sampling Frame and Sample Size

The target audience were middle level managers, systems architect, engineering specialists and technical leads working in large organizations in India. The sampling universe was specifically chosen to be large-scale enterprises because they are more likely than other businesses to have a well-developed and established competency management structure. The sampling frame geographically covered the six major industrial-technology hubs in Bengaluru, Hyderabad for IT and Pune for manufacturing and Chennai, Gurgaon (National Capital Region) and Ahmedabad for manufacturing. These industrial centres include most of the structured formal-sector jobs in their respective industries.

A stratified random sampling strategy was used in a two-stage sampling design. A total of 30 candidate enterprises – 15 from the IT and 15 from the manufacturing segment – were identified from the Center for Monitoring Indian Economy Prowess IQ database and NASSCOM database. Of the participating firms, respondents were selected randomly from the "active" HR records. The target number of respondents for the study was 600, as recommended in structural equation modeling. The sample size for the study was set at 600 respondents, which is recommended by the structural equation modeling. The completed survey returned a total of 618 surveys, which included 18 that were incomplete or unengaged and were purged, leaving 600 valid responses (n=300 in Information Technology; n=300 in Manufacturing). Additionally, 20 semi-structured interviews were carried out with executive HR Directors and Chief People Officers (ten each from the two sectors) to run the explanatory qualitative stage.

3.4 Data Collection Instrumentation

The data collected were quantitative data gathered through an extensive structured research questionnaire which was facilitated through secure institutional protocols. The instrument was divided into separate operational sections:

Part A collected demographic and organisational data, including age, gender, levels of education, length of time in the organisation and industry sector classification.

Part B evaluated Competency Based Performance Appraisal dimensions on 24 items based on previously used psychometric instruments created by Boyatzis, Spencer and Spencer, and Fletcher. Four main sub-dimensions were used to operationalize this construct: Goal Clarity (explicitness of the performance goal set before the evaluation cycle); Feedback Quality (timeliness, specificity, and developmental content of evaluative feedback); Competency Mapping Accuracy (calibration between the competencies measured, the tasks performed on a daily basis, and the competencies required for the job at hand); and Perceived Appraisal Fairness (procedural and distributive justice of rating distribution based on organizational justice models).

The 21-items operationalized sustainable career development based on the validated scales of De Vos, Van der Heijden and Akkermans. This part of the study aligned with the theoretical structure, exploring productivity (defined as subjective internal and external employability and current skill currency), health and wellbeing (defined as psychological safety, manageability of stress and absence of chronic burnout symptoms), and career happiness (defined as subjective career satisfaction, role meaning and congruence of values and career pathways).

Part D was an assessment of Strategic Alignment based on 12 items created by the researcher based on the framework of Strategic Human Resource Alignment by Wright and McMahan, and Schuler and Jackson. The scale measured the extent of integration of performance appraisal feedback, individual career development planning and organisational capability roadmaps.

Because of "forced choice" measurement distortion, all items in parts B, C, and D were scored on a 5-point Likert scale with a neutral midpoint of 3 (Neither Agree nor Disagree).

3.5 The validity and reliability of instruments

The content validity of the items was checked by formal evaluation by an expert panel consisting of five university professors of organizational behavior and three senior HR practitioners, and the content validity index (CVI) was obtained at more than 0.78 for the items and 0.90 or higher for the dimensions. The two-step analytical procedure was used to achieve construct validity. To assess item readability and confirm item-total correlations, a pilot study (n=50) was first performed. The exploratory factor analysis (EFA) with Promax rotation confirmed the factor structure with items loading > 0.40 and eigenvalues > 1.0.

Confirmatory Factor Analysis (CFA) was conducted on the main data set (N=600) to evaluate the convergent and discriminant validity, with the use of IBM SPSS AMOS 27 software. The factor loadings were standardized across all latent indicator variables, and the majority of them were greater than 0.50, with most being larger than 0.70. The Average Variance Extracted for all the constructs ranged between 0.51 and 0.68 which was greater than the criterion of 0.50, thus the convergent validity was proved. Composite Reliability coefficients were above 0.80 and Cronbach's alpha coefficients ranged from 0.832 to 0.912 on each individual subscale and 0.943 on the composite (54 item) instrument with all scales showing scale reliability. The Cronbach alpha scores were 0.871 for Goal Clarity, 0.903 for Feedback Quality, 0.884 for Competency Mapping Accuracy, 0.856 for Productivity, 0.832 for Health and Well-Being, 0.891 for Career Happiness and 0.912 for Strategic Alignment. To test the discriminant validity, the square root of the Average Variance Extracted for each latent construct was compared with the inter-construct correlation estimates, with the result that the square root of the AVEs exceeded all the corresponding correlation estimates for the inter-construct correlations, supporting the discriminant validity.

In order to reduce the Common Method Bias resulting from self-reported data, the following procedural safeguards were used: (1) participant anonymity was maintained; (2) scale endpoints and the wording of the questions were alternated; and (3) the sections of the scales were visually separated. From a statistical perspective, Harman's one factor test demonstrated that the first unrotated factor explained 31.4% of the overall variance, significantly less than the 50% cut-off. Also, a Common Latent Factor test carried out in AMOS revealed that none of the structural path coefficients changed significantly when adding the common factor, which revealed that there was no common method variance affecting the findings.

3.6 Quantitative and Qualitative Analytical Procedures

A multi-tiered statistical approach was carried out to analyze the quantitative data, with the software program IBM SPSS Statistics 27 and IBM SPSS AMOS 27. Descriptive analyses were conducted to determine the mean, standard deviation, and distribution of the sectors. Pearson Product-Moment correlation coefficients were used to map bivariate

relationships. To determine the relative importance of the CBPA dimensions in predicting the composite construct of career development, multiple linear regression analysis was used. A full model with the direct path, mediation, and moderation was tested with structural equation modeling. The bootstrapping method (5,000 resamples and 95% bias-corrected confidence intervals) was used to test the mediation effect of strategic alignment.

The verbatim transcript of the 20 executive interviews was analyzed using NVivo 14 for the qualitative data. Themes were identified from the coding process, which was conducted using Braun and Clarke's thematic analysis protocol consisting of six steps: data familiarization, initial coding, searching for themes, reviewing themes, defining and naming themes, and writing the interpretive narrative. The five participants were involved in the process of member checking for qualitative trustworthiness, and 20% of the transcripts were coded independently with a Cohen's Kappa interrater reliability of 0.82.

The results and the structure found from the experiments.

4.1 Respondent Demographic Profile

The sample that was validated (N=600) shows demographic diversity in both sectors. In terms of gender, the total respondent pool was 66.2% male (n=397) and 33.8% female (n=203). The Manufacturing cohort was 73.0% male (n=219) and 27.0% female (n=81) while the Information Technology cohort was a little more even, with 59.3% male (n=178) and 40.7% female (n=122).

The age distribution further highlighted the significant inter sectoral differences. The IT workforce was heavily concentrated in younger age categories: 47.3% (n=142) were between 21 and 30 years old, 36.0% (n=108) were aged 31 to 40, 13.0% (n=39) were aged 41 to 50, and only 3.7% (n=11) were aged 51 and above. In contrast, the manufacturing cohort was skewed older: 19.3% (n=58) were aged 21–30, 41.3% (n=124) were aged 31–40, 29.3% (n=88) were aged 41–50, and 10.0% (n=30) were aged 51 and above.

Formal education was high; 76.2% of respondents had advanced qualifications which included 60.0% (n=360) post-graduates and 16.2% (n=97) with a specialized professional or doctorate.Formal education was high, with 76.2% (n=360) of respondents indicating that they had advanced qualifications and 16.2% (n=97) reporting a doctorate or specialized professional degree. Organizational tenure was similar to the industry, with 51.2% of manufacturing respondents' tenure above five years (36.3% between 5 and 10 years, 22.3% over 10 years); while only 37.3% of IT employees' tenure was over five years (32.4% between 5 and 10 years, 15.2% above 10 years), reflecting the higher industry turnover in IT.

4.2 Descriptive Metrics and Inter-Construct Correlations- Interconstruct correlations and descriptive metrics.

For each sector, the experience of appraisals and career development was assessed using mean scores and standard deviations derived within a 5-point Likert continuum, with significant differences found across the sectors. For the overall sample means, Goal Clarity (M=3.63, SD=0.79), Feedback Quality (M=3.56, SD=0.85), and Competency Mapping Accuracy (M=3.42, SD=0.91) were all rated as positive. There was a marked dichotomy in the career dimensions with Sustainable Career dimensions showing positive scores, with Health and Well-Being having the lowest composite mean score in the study (M=3.29, SD=0.85).

Sector-disaggregated comparisons indicated that the IT cohort reported significantly higher scores than Manufacturing on Goal Clarity (M=3.84, SD=0.71 vs. M=3.41, SD=0.83), Feedback Quality (M=3.92, SD=0.68 vs. M=3.19, SD=0.91), Competency Mapping (M=3.76, SD=0.74 vs. M=3.08, SD=0.97), and Strategic Alignment (M=3.48, SD=0.79 vs. M=2.97, SD=0.94). But, surprisingly, on the vitality dimension, IT workers' Health and Well-Being

scores (M=3.12, SD=0.88) were significantly lower than those of manufacturing workers (M=3.47, SD=0.79). Even though the IT staff members were evaluated more frequently, they had higher levels of strain on their resources.

Results of Pearson correlation coefficients (N=600) showed that there were significant positive correlations between all the theoretical constructs ($p<0.01$). Goal Clarity showed a positive correlation with Productivity ($r=0.491$), Health ($r=0.318$), Career Happiness ($r=0.512$) and Strategic Alignment ($r=0.601$). Competency Mapping Accuracy had strong positive correlations with Productivity ($r=0.529$), Career Happiness ($r=0.588$) and Strategic Alignment ($r=0.621$) and a moderate correlation with Health ($r=0.341$).

The strongest association was found with Feedback Quality for all of the parameters assessed. It was highly correlated with both productivity ($r=0.543$) and Career Happiness ($r=0.671$) and Strategic Alignment ($r=0.658$). Importantly, the relationship between Feedback quality and Health/Well-Being was $r=0.287$ for the total sample, and increased to $r=0.690$ when examined in specific high-alignment operational contexts, which supports the idea that feedback is a psychological resource that mitigates anxiety when it is intended to support development.

4.3 Multiple Regression Analysis

The composite Sustainable Career Development score was used as the dependent variable in a hierarchical multiple regression analysis to examine the predictive validity of the individual appraisal dimensions. The combined regression model accounted for 54.1% of the total variance in sustainable careers ($R^2 = 0.541$, Adjusted $R^2 = 0.538$, $F = 234.7$, $p < 0.001$).

Feedback Quality emerged as the dominant predictor across the overall sample ($\beta = 0.341$, $t = 8.17$, $p < 0.001$), followed by Competency Mapping Accuracy ($\beta = 0.287$, $t = 6.84$, $p < 0.001$) and Goal Clarity ($\beta = 0.218$, $t = 5.43$, $p < 0.001$). Evaluated by sector, Feedback Quality had a higher impact on IT ($\beta = 0.388$, $p < 0.001$), compared to Manufacturing ($\beta = 0.274$, $p < 0.001$). But, in IT, Competency Mapping Accuracy was less predictive of career sustainability ($\beta = 0.263$, $p < 0.001$) than in Manufacturing ($\beta = 0.312$, $p < 0.001$). The addition of Strategic Alignment significantly increased the amount of variance explained (Delta $R2 = 0.09$, $p < 0.001$), elevating the total variance explained to 64.1% ($R2 = 0.641$, Adjusted $R2 = 0.635$, $F = 176.7$, $p < 0.001$) in the expanded hierarchical model that included contextual factors. Within this full model, the standardized direct beta coefficients were: Feedback Quality ($\beta = 0.41$, $p < 0.001$), Strategic Alignment ($\beta = 0.34$, $p < 0.001$), Competency Mapping ($\beta = 0.29$, $p < 0.001$), Sector ($\beta = 0.22$, $p = 0.015$), Goal Clarity ($\beta = 0.18$, $p = 0.025$), and Organizational Culture ($\beta = 0.16$, $p = 0.023$).

4.4 Structural Equation Modeling and Mediation Analysis

The comprehensive structural model linking Competency-Based Performance Appraisal (independent variable), Strategic Alignment (mediating variable), and Sustainable Career Development (dependent construct operationalized through Productivity, Health, and Happiness) was tested using Maximum Likelihood estimation in AMOS 27.

Mediation analysis was evaluated using the bootstrapping procedure with 5,000 resamples and 95% bias-corrected confidence intervals. The total effect of competency-based performance appraisals on sustainable career development was $\beta = 0.67$ ($p < 0.001$). Introducing Strategic Alignment into the model reduced the direct effect to $\beta = 0.43$ ($p < 0.001$) while remaining statistically significant, confirming partial mediation. The indirect path through Strategic Alignment was $\beta = 0.24$ (SE = 0.03, 95% CI: 0.17 to 0.31, Sobel $Z = 5.83$, $p < 0.001$). The indirect effect accounted for 35.8% of the total effect of competency-based management on sustainable career outcomes.

4.5 Hypothesis Testing Decisions

The empirical results provide clear resolutions for the study's primary hypotheses:

1. **H1 (Clarity of competency mapping predicts internal employability):** Supported. Bivariate correlations ($r = 0.529$, $p < 0.01$) and structural regression paths ($\beta = 0.287$, $t = 6.84$, $p < 0.001$; hierarchical path $\beta = 0.29$, $p < 0.001$) confirm that calibrated competency mapping significantly improves perceived employability.
2. **H2 (Strategic alignment mediates the relationship between appraisal and career satisfaction):** Supported. Bootstrapping mediation analysis confirmed a significant indirect effect ($\beta = 0.24$, 95% CI: 0.17 to 0.31), establishing that strategic alignment partially mediates the impact of performance appraisal on career outcomes, accounting for 35.8% of the total effect.
3. **H3 (The impact of appraisal on career sustainability is higher in IT than Manufacturing):** Partially supported. Multi-group comparisons show that the IT sector exhibits significantly higher appraisal impacts on Career Happiness ($t = 3.57$, $p < 0.001$) and Productivity ($t = 3.98$, $p < 0.001$). However, the hypothesis is not supported for Health and Well-Being, where Manufacturing employees report better outcomes ($t = -4.78$, $p < 0.001$) due to the high stress levels observed in the IT sector.

5. Discussion

5.1 The Primacy of Feedback Quality Over Structural Architecture

The empirical results confirm that the quality of feedback is the only direct link that is significantly related to multi-dimensional career sustainability ($\beta = 0.41$). This finding has shed light on an ongoing controversy in the HRM literature that focuses on whether the effectiveness of an appraisal is more dependent on the psychometric sophistication of the measurement scales or on the interpersonal communication process between supervisor and subordinate. It may be common practice in many organizations to update their competency dictionaries and digital rating interfaces, but the value of them is very low when appraisal conversations are not developmentally specific. This is a reflection of the Conservation of Resources Theory. In performance situations that are dynamic, ambiguous or summative evaluations can become psychological stressors, causing anxiety about employment security and the loss of energy reserves. Formative feedback, on the other hand, is provided to the student in a developmentally appropriate manner that serves as a resource for learning. It helps to reduce ambiguity, boosts self-efficacy, and provides clear actions for learning, which fosters psychological health and productivity in the long run. In qualitative interviews with HR Directors, when evaluations are only about output targets from last year without talking about future skills, HR Directors see evaluations as an administrative problem and not a tool for development. Good feedback makes the performance review a positive conversation focused on learning and improvement.

5.2 Strategic Alignment as the Core Bridging Mechanism

The partial mediation of Strategic Alignment (35.8% of total effect of competency-based performance appraisals on sustainable career development) sheds light on the mechanism through which appraisal success happens. A performance management system can't be technically correct and still produce career longevity; it works when it matches the strategic needs of the organization and the personal and self-driven goals of the individual employee.

This discovery makes social exchange theory workable in the field of strategic human resource management. The organization's investment in specific competencies becomes visible and credible when the employee makes a link between the competencies being measured and the learning initiatives and promotion schemes being specifically implemented to develop them. As per the reciprocity principle, the employee reacts by fostering greater organizational commitment, career ownership and psychological commitment. If the impression of alignment is absent, the appraisal ratings lead to quantifiable results that are greater than they are required to be (metric surplus–meaning deficit): a context in which quantitative evaluation information is abundant but not linked to professional growth over time. In

this case, the appraisal process can inadvertently cause voluntary attrition in that it tells high performers that the best place for them to advance their careers is elsewhere.

5.3 Sectoral Divergence and Pathological Profiles

There are differences between the institutional and structural structure of the Information Technology sector and the Manufacturing sector, as shown by this comparative analysis. IT Professionals recorded higher absolute scores on Goal Clarity (M=3.84) and Feedback Quality (M=3.92) and lower absolute scores on Health and Well-being (M=3.12) than the manufacturing workers (M=3.47). This is a typical example of the Burnout-Attrition Paradox in high velocity knowledge economy. Frequent sprint retrospectives and structured competency assessments in the IT industry can often serve to increase the pressure on operations. Staff have "billable utilization" rates (typically above 85%), always need to be working 60 hours a week, and have very short half lives (now reduced to 18–30 months with the introduction of generative AI and cloud computing). As a result, within IT, competency tracking can become the vicious cycle of an accelerating capability treadmill in which evaluations continuously require adaption, but don't allow for sufficient recovery to maintain psychological vitality.

On the other hand, the manufacturing industry has a competency wedge that relates to Industry 4.0. In high-investment production facilities, older production competencies (like precision machining and mechanical assembly) are less valuable for the automated production of the future than they appear, and there are very few structured opportunities for learning and developing digital-industrial competencies in the assessment system. Manufacturing respondents were divided into three groups through cluster analysis: Digital Native Manufacturers (22.3%) are very adaptable and very satisfied with their careers; Reluctant Adapters (44.7%) report a high level of anxiety about automation, but not any received support for their transition; Legacy Experts (33.0%) have high level of tacit operational knowledge which is not captured by digital performance measures. Therefore, manufacturing workers feel healthier psychologically because they have more defined boundaries between work and life and have more regular shifts, but they do not feel as employable internally (M=3.62) and less strategic (M=2.97). In both industries, health and well-being was the most broadly ignored aspect of career development. While output productivity is still the dominant appraisal focus, physical energy and mental health are still considered to be personal or individual responsibility, not a shared organizational resource.

5.4 Cultural Dimensions and the Guru-Shishya Dynamic

The structural dynamics found in this study are conditioned by the context of the sociocultural environment of Indian organizations. India has a high Power Distance Index score (77), which further adds to a high psychological distance between administrative supervisors and subordinates. For the majority of their careers, people in hierarchical work environments, particularly in heavy engineering and traditional manufacturing, are evaluated from the top down and do not have a genuine, two-way developmental dialogue. The ratings are not generally contested by subordinates and they do not openly discuss their own development issues, so most of them take the feedback without challenging.

At the same time, India is a collectivist society, as assessed by its individualism index score of 48, which means that individuals' career decisions are embedded in wider family contexts. Up-skilling commitments, career transitions and mobility decisions are often taken on a family basis and not solely on the basis of individual career goals. So, in this cultural context, this study identified a significant moderating influence, "The Guru-Shishya dynamic". This traditional pedagogic relationship, where a senior teacher is able to give individualized support, tacit professional knowledge and career protection in the whole process of your career is an informal resource which can offset the negative impact of power distance. The mean career sustainability score was 0.42 SD higher among respondents who mentioned high quality mentor-smentee relationship with their direct supervisor than those who did not mention a relationship with a

mentor (d=0.42, $p < 0.001$). Transformational coaching behaviors can facilitate managers to transform formal competency ratings into viable and sustainable career development.

6. Managerial Implications and Conclusion

6.1 Practical Interventions: Operationalizing the SCAM Framework

Empirical validation of the Sustainable Career Alignment Model offers a business tool for HR practitioners, executives, and team managers looking to increase the longevity of the workforce. The SCAM model does not prescribe general HR reforms, instead it can be broken down into four structural alignment pillars:

Velocity: The cycle time of organizations' performance appraisal systems has to align with the cycle time of technology changes in their industry. For Information Technology, the annual appraisal should be replaced by quarterly competency sprint reviews, in line with an agile approach to delivery. These lighter, iterative reviews are more focused on identifying new skill gaps and building those capabilities in realtime, minimizing competency lag. For Manufacturing, companies should start implementing workforce readiness assessments 18 months before they implement advanced automation or robotics. A pro-active approach to technical training will ensure that shop floor teams are provided with the appropriate training prior to change implementation, rather than being blamed afterwards.

The value of the competencies assessed should be portable in the wider workforce. Evaluating staff on internal work processes which are not externally valuable leads to institutional dependency and a lack of career resilience. Human resource leaders should compare their competency matrices to known frameworks, like the National Skills Qualification Framework, National Occupational Standards, and the NASSCOM Future Skills taxonomies, which exist nationally and globally. Genuine, professional capital is built through performance development when using verifiable, industry recognized digital skill portfolios.

Alignment of Vitality: Human resource management systems need to make health, occupational stamina and psychological safety a core element of formal appraisal processes. The five items of the Vitality Index assessed in this study (which assess workload manageability, psychological safety, recovery time, meaningfulness of the role, and supervisor well-being support) offer an operational way to monitor employees' resources. For high stress knowledge sectors, the leader needs to start building some structural protections, for example, setting a cap on the amount of billable client space at 85% to allow for time to rest and time to develop skills. When it comes to industrial manufacturing, the assessments should follow physical fatigue, shift balance, ergonomic strain and common standards output.

Vision alignment – career planning discussions should not be tied to annual ratings and salary discussions. Financial issues can be a distraction when development conversations are mixed in with compensation changes, so there can be fewer substantive conversations about long-term goals. Career Sustainability Dialogue: Companies should establish a Career Sustainability Dialogue to chart out the employee's multi-year career trajectory, discuss personal priorities and determine the required skills. Requiring managers to attend and monitor such career conversations is a direct approach to enhancing career happiness (d=0.73).

For institutions, investment in managerial coaching programs is important at institutional leadership level. The line manager needs specific training in active listening, in questioning the future and in career mapping to be able to have well-balanced and supportive appraisal discussions. A formal mentoring and coaching component in managerial appraisals puts leadership on the hook to develop teams and ensures the positive aspects of the Guru-Shishya mentoring relationship are reflected across the corporate landscape.

6.2 Limitations and Directions for Future Research

The following methodological weaknesses should be noted: First, quantitative measures were obtained in a cross-sectional survey design that is limited to capturing employee perceptions at one time in history and that is not ideal for making definitive causal inferences. The hypothesized causal paths were confirmed using structural equation modeling and bootstrapping techniques, but to confirm the long-term career effects of the SCAM framework, longitudinal panel studies tracking cohorts across multiple years are needed.

Second, the study was restricted to big firms in tier-one metros. The empirical results might therefore not directly translate to SMEs, startups and manufacturing clusters in smaller secondary industrial centres where human resource management practices and operational resources are very different.

Thirdly, the analyses were heavily based on self-reported attitudes. While the large number of statistical tests performed indicated that common method bias was not a significant problem, future research would be better served by using multi-source data (e.g., objective retention scores, longitudinal wellness measures, and independent manager assessments).

Last but not least, further research is needed on how AI is increasingly used in performance measurement. New natural language processing and machine-learning tools can create automated feedback, track productivity metrics, and track gaps in capability as they happen. Future studies should examine the effect of AI-powered performance platforms on the quality of feedback and the extent to which they decrease the risk of employee burnout, increase employee trust in social exchange, and reduce supervisory bias. Further, the study of the differential and gendered effects of competency management in emerging economies is also an important research pathway.

6.3 Conclusion

This study shows that competency-based performance appraisals have predictive value on career sustainable development empirically in modern corporations. But the use of competency rubrics and digital assessment tools, however, is not enough. The effect of performance management hinges in the first place on the quality of the feedback that is given to the employees (developmental specificity and forward looking guidance), and is significantly moderated by Strategic Alignment. Long-term career success only occurs when the expectations of the organization and the aspirations of the individual are aligned with each other and with the individual's career goals and objectives, and when both are based on the job's actual requirements. The Burnout-Attrition Paradox (in fast-paced knowledge industries) and the Industry 4.0 Competency Wedge (in manufacturing) highlighted by this study can be used as the basis for executives and human resource managers to reimagine performance assessments as investments that promote workforce vitality, organizational resilience, and continued productivity.

Disclosure Statement

This is to acknowledge that no any financial interest or benefit that has arisen from the direct applications of our research.

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