



EFFECTIVENESS OF PERFORMANCE APPRAISAL IN EMPLOYEE TRAINING AND DEVELOPMENT-A STUDY IN SELECT ORGANIZATIONS

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ABSTRACT

Performance is a relative term which determines the growth and improvement in an organization. This article provides an outline on employee Training and development, highlighting the importance of performance appraisal process, methods and channels. The present study has been conducted in twin cities of Hyderabad in Telangana State. The sample consists of 10 companies from Public and Private sector organizations. A detailed study has been made in both private sector and public sector organizations to find the role and importance of performance appraisal. The present research article aims to provide a scope for further investigations and future study. Both descriptive and inferential statistics were used in the analysis.

Keywords: Performance appraisal, Employee development, Human resource management, Career training and development, 360 degree evaluations, organizational culture.

Introduction

Performance Appraisal-Meaning and Definition:Performance appraisal can be defined as method of systematic evaluation of an employee's performance and to determine the abilities, potentialities of an individual for further growth and development. Performance appraisal is done by the supervisors or superiors and help them guide for better performance.

Training and Development- Meaning and Definition: Training and development is important functions of human resource management which aims at improving the performance of an employees by creating opportunities for learning and growth. Training and development is necessary to enhance the skills, knowledge and capabilities of employees in fulfilling their targets and plans.

Need for the Study:The relation between performance appraisal and training and development is like two sides of a coin. Performance appraisal help to identify employees for promotions and also for identifying the areas of training and development for taking up the new assignments. Appraisals help in identifying the areas of need in training.

Research Objectives: The primary objective of this study is to assess the impact of performance appraisal on employee training and development are as follows:

- 1.To ascertain if performance appraisal affects employee training and development.
2. To determine empirically the relationship between performance appraisal and employee training and development.

Research Methodology :A structured questionnaire, using Likert five-point rating scale was prepared, which was administered as a schedule.

Data Analysis and Interpretation

Table 1: Details of the respondents

Variables (n=60)	Number	%
Public sector	30	50
Private sector	30	50
Total	60	100

Sample

For the present study Sample size includes 60 employees [30 from public sector and 30 from private sector] constituted the sample on the basis of incidental sampling technique. The age ranges from 30 – 50 years. The study is limited to respondents selected from Hyderabad.

Tools used:The tools used for hypothesis testing Karl Pearson's Coefficient Correlation.

Hypotheses:Ho: Performance appraisal is not positively related to employee training and development.

Ha: Performance appraisal is positively related to employee training and development.

Results and Discussions

Table 2: Performance appraisal Constructs: Mean and Standard Deviation of Employees Agreeing and Disagreeing

S.N	Performance appraisal constructs	Mean	SD
1	Do you clearly understand the basis on which your performance is judged?	4.1	0.40
2	Do you have clarity of goals and objectives?	4	0.63
3	Do you feel employees are recognized as individuals?	4.5	0.54
4	How often does your team leader formally discuss your performance with you?	3.9	0.75

Table 3: Performance appraisal Constructs: Frequency and Percentage of Employees Agreeing and Disagreeing

S.N	Performance appraisal Constructs	SDA	DA	N	A	SA
1	Do you clearly understand the basis on which your performance is judged?	0	0	0	0	1
2	Do you have clarity of goals and objectives?	0	0	1	4	1
3	Do you feel employees are recognized as individuals?	0	0	0	3	3
4	How often does your team leader formally discuss your performance with you?	0	0	1	3	2

Table 4: Employee Training and development Constructs: Mean and Standard Deviation of Employees not sure and saying yes

S.N	Employee training and development Constructs	Mean	SD
1	Do you accept company's training policies help create a better corporate image?	4	1.09
2	Do you agree training aids in organizational development?	4	0.89
3	Do you agree training enhances personal sense of accomplishment of the trainee?	4.6	0.51

4	Do you accept company's training policies on personal learning and growth for trainees?	4.5	0.83
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Table 5: Employee Training and development Constructs: Frequency and Percentage of Employees not sure and saying yes

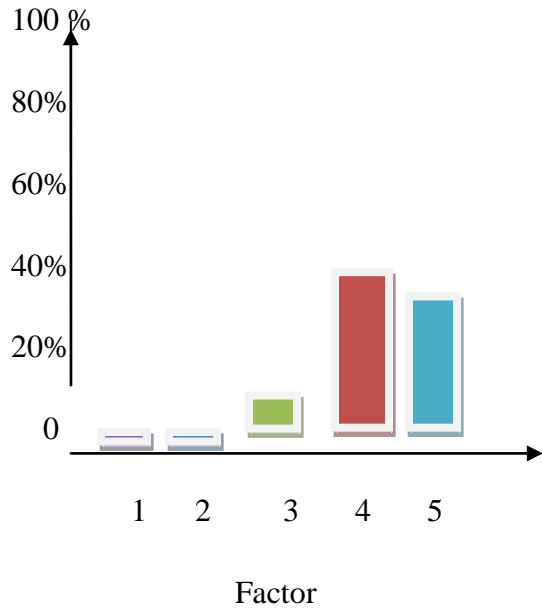
S.N	Employee Training and development Constructs	NS	N	R A	O F	Y
1	Do you accept company's training policies help create a better corporate image?	0	1	0	3	2
2	Do you agree training aids in organizational development?	0	0	2	2	2
3	Do you agree training enhances personal sense of accomplishment of the trainee?	0	0	0	2	4
4	Do you accept company's training policies on personal learning and growth for trainees?	0	0	1	1	4

Findings and Discussions: This presents the research findings and discussion of the results with reference to the specific research objectives.

Impact of Performance appraisal on Employee training and development

The study sought to find out the impact of performance appraisal on employee training and development. The results obtained were as shown in figure 4 1 below.

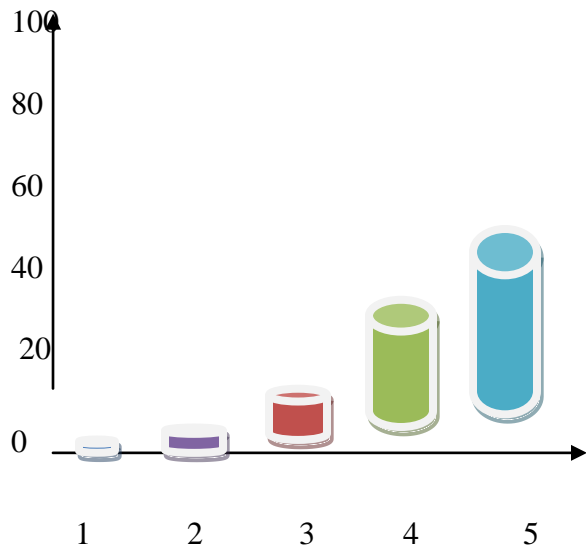
Frequency of Performance appraisal [fig.]



s.n	factor	frequency	%
1	Strongly disagree	0	0
2	Disagree	0	0
3	Neutral	3	10
4	Agree	14	46.6
5	Strongly agree	13	43.3
total		30	100

As shown in the above figure, A majority of 46.6% agree that their performance appraisal is efficient in encouraging employee development.

Frequency of Employee training and development [fig]



s.n	factor	frequency	%
1	Not sure	0	0
2	No	1	3.3
3	Rarely	3	10
4	Often	11	36.6
5	Yes	15	50
total		30	100

As shown in the above diagram, A majority of 50% of the respondents say yes their organizations do facilitate employee training and development.

Table 3: Pearson Correlation Between Performance Appraisal And Employee Training And Development.

S.N	X	Y	X ²	Y ²	XY
1	26	24	0.36	4	1.44
2	25	24	0.16	4	0.64
3	24	28	0.16	4	0.64
4	27	27	2.56	1	2.56
5	25	27	0.16	1	0.16
	$\sum X = 127$	$\sum Y = 130$	$\sum x^2 = 3.4$	$\sum y^2 = 14$	$\sum xy = 5.44$

$$r_{xy} = \frac{n \sum XY - \sum X \sum Y}{\sqrt{[n \sum X^2 - (\sum X)^2] * [n \sum Y^2 - (\sum Y)^2]}} \quad r=0.795$$

[1]coefficient of determination= $0.795 \times 0.795 = 0.63$ [r^2]; [2] coefficient of non-determination = $1 - 0.63 = 0.37$ [$1 - r^2$]; [3] determination of alienation = $\sqrt{0.37} = 0.608$ [$\sqrt{1 - r^2}$]; [4]significance of correlation = $P.E. = 0.6745 \times \frac{1 - r^2}{\sqrt{N}} = 0.6745 \times \frac{0.37}{2.23} = 0.11$; $0.79 > 0.11$; $r > 6P.E$; Coefficient of correlation is certain ; r is significant. The value 0.795^{**} shows the correlation is significant at 0.05 level. There is a significant association between performance appraisal and employee training and development.

Hence, H_0 is rejected. H_a is accepted.

Recommendations: Performance appraisal should be used as an important tool for evaluating, assessing and rewarding the performance of an employee. Appraisals have to be on timely basis to help the management in identifying the areas of strengths and weaknesses of the individuals and also they should aim at all round development and growth of the work force.

Conclusion: Performance appraisal is an important component of human resource management practices. In absence of modern methods of performance appraisal the organization may risk losing efficient employees to their competitors. Various resources such as men, money, materials , methods play a significant role in influencing an organization. It must be noted in this context that among the above mentioned resources men are the most competent and precious and hence it becomes mandatory for the managers to take utmost care to preserve them.

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