



## Role of Performance Appraisal System in Identification of Training & Development Needs: A study of IOCL, Mathura

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**ABSTRACT**

Performance Appraisal System can be used as a basis of identification of training & development needs. The present research paper aims to role of Performance Appraisal System in identification of training & development needs at IOCL. To serve the objective descriptive research design is used and primary data is collected from 400 respondents with the help of questionnaire. Data is analyzed with the help of arithmetic mean and t- test and it has been concluded that performance Appraisal System of IOCL is helpful in identification of training & development needs of employees.

### KEYWORDS

Performance Appraisal System, IOCL

### Introduction:

Performance appraisal is a formal management system that provides with the evaluation of the performance of an individual in the organization. Performance appraisal has the means to evaluate an employee's current and past performance relative to the performance standards. It is a process which involves setting performance standards, evaluating employee's actual performance relative to these standards and providing feedback to the employee so as to motivate him to improve the job performance or to eliminate performance deficiency.

Performance appraisal plans are designed to meet the needs of the organization and the individual. It is increasingly viewed as central to good human resource management. This is highlighted in Cumming's classification of performance appraisal objectives. According to Cumming and Schwab, the objectives of performance appraisal schemes can be categorized as either evaluative or developmental. The evaluative purpose has a historical dimension and is concerned primarily with looking back at how employees have actually performed over given time period, compared with required standards of performance. The developmental, a future-oriented performance appraisal is concerned, for example, with the identification of employees' training and development needs, and the setting of new targets.

### Literature Review:

According to **Fletcher and Bailey (2009)**, Organizations usually conduct appraisals for administrative and/or developmental purposes. Performance appraisals are used administratively whenever they are the basis for a decision about the employee's work conditions including promotions, termination and rewards. Development uses of appraisal which are geared toward improving employees performance strengthening their job skills, including counseling employees on effective work behaviors and sending them for training. The major functions of performance appraisal are to give employees feedback on performance, to identify the employees' developmental needs to make promotion and reward decisions, to make demotion and termination decisions and to develop information about the organizations selection and placement decisions

**Sudarsan (2009)** evaluated the performance appraisal systems of 33 diverse organizations. Data was collected from the respondents from each organization by means of an open-ended questionnaire. Respondents' views were sought on major concerns, desired changes, and number of forms used in evaluating performance in the organization. The study

observed that subjectivity and appraiser bias were the most common apprehensions in evaluating the performance appraisal system in an organization. Strong needs were felt for identifying measurable parameters for performance evaluation, and providing multiple feedbacks to trim down appraiser bias. Further, objectivity and measurable performance were found to be the most desirable areas to help improve the performance appraisal system.

**Armstrong (2009)** also stated employees' feedback and development as functions as a continuous and evolutionary process in which performance improves overtime. It provides the basis for regular and frequent dialogues between managers and individuals about performance and development needs based on feedback and self-assessment. It is mainly concerned with individual performance but it can also be applied to teams. The emphasis is on development, although performance management is an important part of the reward system through the provision of feedback and recognition and the identification of opportunities for growth. It may be associated with performance- or contribution-related pay but its developmental aspects are much more important.

**Dessler (2011)** stated that performance appraisal is one of the human resource management tools used to evaluate the job performance of employees. The ultimate goal of performance appraisal is to maintain better performance by fostering employees' motivation, which would depend upon the situations in the workplace such as reward system, rules and regulations etc. This is pertinent to Herzberg's two-factor theory, which defines two groups of motivation factors.

### Objective:

The purpose of this research paper is to access the role of Performance Appraisal System in identification of training & development needs at IOCL.

### Hypothesis:

$H_{01}$ : The development of the employees is done effectively through performance appraisal system at IOCL.

$H_{11}$ : The development of the employees is not done effectively through performance appraisal system at IOCL.

### Research Methodology

**(a) Research Design:** - To have a better understanding about the issue descriptive research design was used. To get the primary data close ended questionnaire was administrated.

**(b) Sample Design:** - 400 employees (150 top level employees & 250 middle level employees) from IOCL, Mathura were selected through stratified and purposive sampling.

**(c) Analysis:** - The data collected was analyzed with the help of Arithmetic mean, t- test

**Analysis & Interpretations**  
**Role of Performance Appraisal System in Identifying Training & Development Needs**

To measure Role of Performance Appraisal System in Identifying Training & Development Needs Respondents were requested to share their level of agreement for various statements. The degree of agreement towards statements was set from 1 to 5 (5 denotes the strongly agree, whereas, 1 is the strongly disagree).

In addition following criteria is used for analysis part:-  
 The score among 1.00-1.80 means Strongly Disagree  
 The score among 1.81-2.60 means Disagree  
 The score among 2.61-3.40 means Neutral  
 The score among 3.41-4.20 means Agree  
 The score among 4.21-5.00 means Strongly Agree  
 The analysis is presented in following sub heads

**Performance Appraisal System helps in Identifying Training Needs**

Majority of top level employees (60%) found performance appraisal system helps in identifying training needs while in case of middle level employees this percentage is 37.20% only. If we consider average scores then top level employees (3.64) are agree and middle level employees (3.21) are neither agree nor disagree with the point that performance appraisal system helps in identifying training needs.

**Table 1: Performance Appraisal System is Sufficient in Appraising Performance**

Response	Top Level		Middle Level	
	N	Percentage	N	Percentage
Strongly Disagree	3	2.00	0	0.00
Disagree	11	7.33	45	18.00
Neutral	45	30.00	112	44.80
Agree	69	46.00	88	35.20
Strongly Agree	22	14.67	5	2.00
Total	150	100.00	250	100.00
Mean Score	3.64		3.21	
Standard Deviation	0.892		0.755	
Result	Agree		Neutral	

Performance appraisal is effective for individual and organizational development

All the respondents taken under study revealed that they are equally agreed and disagreed with the point that performance appraisal is effective for organizational development or in other words we can say that respondents are not able to judge the effectiveness of performance appraisal system

**Table 2: Performance appraisal is effective for individual and organizational development**

Response	Top Level		Middle Level	
	N	Percentage	N	Percentage
Strongly Disagree	1	0.67	2	0.80
Disagree	31	20.67	37	14.80

Neutral	62	41.33	105	42.00
Agree	47	31.33	91	36.40
Strongly Agree	9	6.00	15	6.00
Total	150	100.00	250	100.00
Mean Score	3.21		3.32	
Standard Deviation	0.864		0.827	
Result	Neutral		Neutral	

**Performance Appraisal helps in identifying Development Needs**

Again in the same line when respondents were asked that do they find performance appraisal system helpful in identifying development needs and they showed neutral opinion. This means respondents are not able to relate performance appraisal system with identification of development needs

**Table 3: Performance Appraisal helps in identifying Development Needs**

Response	Top Level		Middle Level	
	N	Percentage	N	Percentage
Strongly Disagree	7	4.67	2	0.80
Disagree	16	10.67	54	21.60
Neutral	54	36.00	108	43.20
Agree	56	37.33	72	28.80
Strongly Agree	17	11.33	14	5.60
Total	150	100.00	250	100.00
Mean Score	3.40		3.17	
Standard Deviation	0.983		0.857	
Result	Neutral		Neutral	

**1.4 Performance appraisal system supports the development aspects**

Respondents were asked to indicate their agreement towards the statement that "Performance appraisal system supports the development aspects such as identification of strengths and weakness, performance planning and review." The average score for top level employees and middle level employees was found to be 3.69 and 3.41 respectively, which falls in agreement region which means that performance appraisal system supports the development needs.

**Table 4: Performance appraisal system supports the development aspects**

Response	Top Level		Middle Level	
	N	Percentage	N	Percentage
Strongly Disagree	3	2.00	0	0.00
Disagree	14	9.33	20	8.00
Neutral	45	30.00	127	50.80
Agree	52	34.67	83	33.20
Strongly Agree	36	24.00	20	8.00
Total	150	100.00	250	100.00
Mean Score	3.69		3.41	
Standard Deviation	1.003		0.751	
Result	Agree		Agree	

**Hypothesis Testing**

H<sub>01</sub>: The development of the employees is done effectively through performance appraisal system at IOCL.

H<sub>11</sub>: The development of the employees is not done effectively through performance appraisal system at IOCL.

To identify the contribution of performance appraisal system

in the development of employees, respondents were asked that do they find performance appraisal supportive for developing employees. Results of opinion are listed in table 53 according to type of employees.

**Table 5: Performance appraisal system supports the development aspects**

Response	Top Level		Middle Level	
	N	Percentage	N	Percentage
Strongly Disagree	3	2.00	0	0.00
Disagree	14	9.33	20	8.00
Neutral	45	30.00	127	50.80
Agree	52	34.67	83	33.20
Strongly Agree	36	24.00	20	8.00
Total	150	100.00	250	100.00
Mean Score	3.69		3.41	
Standard Deviation	1.003		0.751	
Result	Agree		Agree	

For top and middle level employees the mean score was found to be 3.69 & 3.41 respectively, which are in the agreement region of 3.40 to 4.20. It means according to both type of employees performance appraisal system is equally supporting the development of employees, still to check the significant difference between opinions of top & middle level employees t-test is administrated as shown in table 6

**Table 6: t-test results**

Type of Employees	Mean	SD	Test	Calculated Value	Level of Significance	p - Value	Result
Top Level	3.69	1.003	t-test	3.174	5%	0.16	Not Significant
Middle Level	3.41	0.751					

It can be seen from table 6 that no significant difference has been found between opinions of top & middle level employees, so it can be concluded that the development of the employees is done effectively through performance appraisal system at IOCL.

**Conclusion:**

From this research following conclusions can be drawn:-

1. Employees of IOCL admitted that performance appraisal system is helping in identification of training & development needs
2. No significant difference has been identified in the opinion of top & middle level employees on this issue.

**References:**

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