
Role of Performance Appraisal in the Identification of Companies Training Needs in Kerala: A Case Study

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Abstract: *Performance appraisal is one of the important tools for evaluating the work effectiveness of employees. It always helps the companies to differentiate efficient and inefficient workers in the organization. The role of performance appraisal in identifying company's training needs is crucial. It helps in assessing employee performance, identifying skill gaps, and determining areas for improvement. The study explores how a company utilized performance appraisal data to pinpoint specific training requirements, contributing to employee growth and organizational success. It underscores the significance of aligning performance evaluation with training strategies for fostering employee development and achieving business goals.*

Keywords: Performance appraisal; human resource; training; development

1. Introduction

In today's rapidly evolving business landscape, organizations are constantly seeking ways to optimize their workforce's performance and enhance their competitive edge. Amidst this pursuit, the role of performance appraisal has emerged as a pivotal mechanism for not only evaluating employee performance but also identifying and addressing their training needs. The nexus between performance appraisal and training needs identification has gained prominence due to the recognition that a skilled and knowledgeable workforce is a cornerstone of organizational success. Performance appraisal, as a systematic process of evaluating and reviewing employee performance, offers a multifaceted lens through which an organization can discern the strengths and weaknesses of its workforce (Chinnappa T B and Karunakaran N,

2021). Traditionally as a tool, performance appraisal has evolved into a strategic instrument that goes beyond retrospective evaluation. By assessing an employee's achievements, skills, competencies, and areas in need of improvement, performance appraisal inherently provides insights into the specific training needs required to bridge existing gaps. The integration of performance appraisal and training needs identification has significant implications for both individual employees and the organization as a whole (Bayavanda Chinnappa T and Karunakaran N, 2022). For employees, it offers the prospect of targeted learning and development opportunities, fostering personal growth, skill enhancement, and career advancement. Simultaneously, organizations stand to benefit from an increasingly competent workforce that aligns with their strategic objectives. By tailoring training initiatives based on the outcomes of performance appraisal, organizations can ensure that their investment in employee development directly contributes to the achievement of key performance indicators and overall organizational success (Ayshath Sameena and Karunakaran N, 2023). This study embarks on a comprehensive exploration of the symbiotic relationship between performance appraisal and the identification of Company's training needs in Kerala. Through a synthesis of existing literature and empirical analysis, it aims to uncover the mechanisms through which performance appraisal acts as a catalyst for training needs identification.

1.1. Objectives: The main objectives include;

1. To Study the effectiveness of performance appraisal tools in companies.
2. To find out the importance of performance appraisal in training needs identification.
3. To assess the effectiveness of current training programs

1.2. Review of literature: Manju Bhadauria, and Rimjhim Gupta (2016) examined the role of performance appraisal system in the identification of training and development needs. Ramous Agyare, Ge Yuhui, Lavish Mensah, Zipporah Aidoo and Isaac Opoku Ansah (2016) and Amir Elnaga and Amen Imran (2013) analyzed the impacts of performance appraisal on employees. Basseyy B. Esu, Benjamin J. Inyang (2009), Jitendar Singh Narban, Ajay Kumar Singh Narban and BhanuPratap Singh Narban (2016) and Sanushma. S and Karunakaran. N (2022) emphasized that performance appraisal results guide the creation of individualized training plans, and aligning employee competencies with organizational goals.

2. Materials and Methods

Data were mainly collected from primary and secondary sources. Direct observation, personal interviews, and questionnaire were used for primary data collection. The respondents were selected based on non probability convenient sampling from all departmental employees of Sulfex Mattress Company Parassinikkadavu, Kannur, Kerala using 50 Samples. Secondary data were collected from company records, annual reports, and company brochure. Percentage is used for data analysis.

3. Results, Analysis and Discussion

Various methodologies and approaches were employed by organizations to leverage performance appraisal as a proactive tool for shaping training strategies. By understanding the intricacies of this relationship, organizations can not only enhance the efficacy of their performance appraisal processes but also ensure that their training initiatives are strategically aligned with evolving business demands.

3.1. Performance appraisal review and training, development practice:

Table 1 show that there is a significant relationship between performance appraisal and training needs in the organization.

Table 1: Performance appraisal versus training and development practices

Experience	Strongly Agreed	Agreed	Neutral	Disagree	Total
<1 year	0	2	2	0	4
1-3 years	2	4	0	1	7
3-5 years	12	11	1	0	24
>5 years	13	12	0	0	25
Total	27	29	3	1	50

Source: primary data

3.2. Age of employees and the level of satisfaction regarding training and development: Table 2 shows that the highest satisfied and satisfied amount of people for the training program comes under the age category of 25-35 and the second position for the same belongs to 35-45 years. For beginners and senior level employees the proportion is comparatively low.

Table 2: Age of employees and level of training satisfaction

Age	Highly satisfied	Satisfied	Neutral	Total
20-25	2	3	1	6
25-35	5	10	6	21
35-45	1	8	7	16
Above 45	4	2	1	7
Total	12	23	15	50

Source: Primary data

3.3. Relationship between educational qualification and job performance: From table 3, it is highly satisfied with the job performance of employees who is having educational qualification up to PG.

Table 3: Educational qualification and job performance

Experience	Highly satisfied	Satisfied	Neutral	Dissatisfied	Total
Up to +2	1	1	0	0	2
Up to UG	2	11	6	3	22
Up to PG	5	6	5	2	18
Up to diploma	2	5	1	0	8
Total	10	23	12	5	50

Source: Primary data

3.4. Relationship between employee performance and salary: It is clear that whoever is performing efficiently gets good salary or remuneration and they are highly satisfied or satisfied with that and vice versa (table 4).

Table 4: Relationship between employee performance and salary

Salary range	Highly satisfied	Satisfied	Neutral	Dissatisfied	Total
5k -15 k	0	3	2	3	8
15 k-25 k	1	5	4	1	11
25 k- 35 k	4	8	6	0	18
Above 35 k	8	4	1	0	13
Total	13	20	13	4	50

Source: Primary data

3.5. Reasons for training needs: Table 5 shows the reasons for training needs of employees. And majority needs training because of lack of knowledge and poor performance in order to correct the deviations.

Table 5: Main Reasons for training needs

Reasons	No. of respondents	Percentage
Lack of knowledge	20	40
Improper instruction	3	6
Poor skills and qualifications	7	14
Poor performance	16	32
Others	4	8
Total	50	100

Source: Primary data

4. Conclusion

Performance appraisal plays a crucial role in identifying company's training needs in Kerala. By evaluating employees' performance, strengths and areas for improvement, companies can pinpoint skills gaps and areas that require further development. This information helps in tailoring training programs to address specific needs, enhancing overall employee performance and organizational effectiveness. Certainly performance appraisal serves as a structured process to assess employee's job performance and potential. From this study it is clear that whoever is performing good are getting pay raises and promotion; those who are inefficient in their area of work are instructed for further training and development programs to avoid the deviations. It actually acts as an eye opener among employees to find out their strength and weaknesses. Training is one of the prominent factors which enhance engagement of employee with an organization. Decision pertaining to training, monetary, non-monetary rewards, recognition relies on the outcome of performance appraisal conducted in the organization. Appraisal in the company also serve purpose of identifying efficient performers at the same time also accommodate in determining training requirements. Most of the organization conducted training program, but effectiveness of the same is possible when it caters to individual employee needs at work.

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