

## EVALUATION OF EMPLOYEES THINKING ABOUT PERFORMANCE APPRAISALS, TRAININGS AND DEVELOPMENT IN COMPETITIVE ERA OF GLOBALIZATION: A STUDY IN EXPORT BASED TEXTILE

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Stable operation of any society is primarily based on fairness and justices. Without rational principles development of society seems difficult. Performance appraisal system and training are the key components of modern social organization while traditional organizations are lacking in these aspects. The study was designed to explore the effect of socio-economic and appraisal system on behavioral change in personnel working in export based textile organizations in Punjab-Pakistan. A sample of 500 personnel from top, middle and low level managements were taken from 100 randomly selected business organizations. A well designed questionnaire was prepared in the. Descriptive and inferential analyses demonstrated that socio-economic conditions of the respondents are linked with personnel behavioral change. Personnel with better education and economic conditions are more inclined toward acceptance of modern business value system than their counterpart with low level educational attainment and earnings. Adoption of appraisal system and regular training programs for employees, are essentially important for achieving organizational objectives and goals.

**Keywords:** Business values, appraisal system, training and development, personnel

### INTRODUCTION

Performance appraisal system has always been central not to Sociology only but almost for all social sciences right from religion to business (Korczynski *et al.*, 2006). The performance appraisal system disregards personal interest and gains and rather put personnel on a track of collective goodness (MacIntyre, 1981). The nature of the performance appraisal system demands conformity of established rules and regulations. A growing behavior gets all of its nurturing from the set of ethical code developed by the society. Subsequently individual ethical cognition attaches with him at work place even. This fact compels multinational companies to be polycentric and hire local personnel (Cateora, 1999). If a person does not find harmony between the moral codes applied at work place and what he had learnt from the society then the organization or individual both may in difficult situation. This conflict adversely affects the performance efficiency required for achieving organizational goals (Nozick, 1974).

The performance appraisal system can also be used as motivator. Interestingly some work done on the issue by socialist researchers that how work performance can be correlated with 'quality of working life' (QWL) (Korczynski *et al.*, 2006). And the prime feature in QWL is fair performance appraisal system.

The role of 'motivators' is much concerned that many governments have liberalized their markets to compete effectively in world markets. The liberalization of markets made organizations 'liberal' too. So all employees must be given autonomy to play their effective role and prove themselves. This freedom of playing roles effectively needs a just and fair performance appraisal system. In practice this system creates 'trust' among all the stakeholders in an organization (Kay, 1993). The system also increases the learning of employees within the organization (Ohmae, 1989). And all these factors make the organization more competitive in the world market (Atkinson, 1984). All these benefits are encouraging organizations to establish 'performance appraisal system; and all these systems are reshaping the behaviors of employees.

Training and development' plays central role in changing behaviors of people. In business organizations this factor multiplies due to more focused activities and need of specific skills for performing a certain job and achieving a goal (Murphy, 1988). Abbott (1988) specifically concluded in his research that training and development needs arise when an employee is dealing with an issue or problem that may affect his professional development. The issue may be of any type ranging from behavioral to technical needs. Abbott further argued that training programs are like

conditioning programs for modeling the behaviors. The conditioning enables one to generate many ideas that can further be disseminated. Durkhiem (1957) believed that if modern society ever gets threatened then these trained professionals save the society. These trained people, who are known as 'professionals' are playing a prominent role as promoters of modern business values (Parsons, 1968).

Larson (1977) specifically focused on 'professional development' and advocated that two aspects of modern business culture (or modernity) are significant to the emergence of professional groups, one is 'scientific knowledge' and other is the 'existence of free markets'. In such societies, in her view point, qualifications and experience are like opportunities for income. And both of the factors (qualification and experience) stem through 'training and development'. This exactly matches with Weber's (1978) theory of stratification that emphasize on 'specialist knowledge' that is also an opportunity for income. This 'specialist knowledge' comes from 'training and development'. Larson (1977) further viewed in her work that these trained and developed professionals are the source of social mobility and market control. Cooper *et al.* (1988) concludes in their research that these trained people dominate the market by controlling the dissemination of knowledge and may enter into a 'regulative bargain' with the state. These market controls are mutually linked up with social phenomenon (Larson, 1977), hence these employees of business organizations are playing an effective role in changing behaviors of the whole society.

To act like change agent, one must hold some power (Robbin, 1998). Foucault (1977) creates a link between knowledge and power. He viewed is that shift from traditional to modern society is a shift from 'classic' to a modern, organized, and more disciplined form of knowledge. This knowledge needs formal 'training programs' that has become like integral part of business organizations. The study is designed to explore the effect of socio-economic and appraisal system and training on behavioral change or shift.

## MATERIAL AND METHODS

A cross-sectional survey in the Punjab province was conducted in 100 textile based organizations. Five respondents from each organization from top and middle level management were selected randomly. A well measuring instrument was prepared in the light of research objectives. Pre-testing of the measuring instrument with 20 respondents was carried out to ensure suitability of instrument. In the light of pre-testing necessary corrections in the questionnaire were made for gathering meaningful responses and valid data. Interviewers having Master degree in the social

sciences were recruited for the field work. Training sessions with the interviewers were also conducted to make concepts and questions in the questionnaire understandable. Role play activity for ensuring the interviewers' competency for conducting survey also performed. Descriptive and inferential analysis was carried out to explore research objectives. Descriptive analysis includes frequency distribution, measures of central tendency (mean) and measure of dispersion (standard deviation) to describe and summarize data collected. Inferential statistics such as Chi-square, Gamma tests were used to explore the relationship between predictor and response variables.

## RESULTS AND DISCUSSION

### Performance Appraisal System

This 'merit' (performance appraisal system) sets the criteria of standards or expected performance and employees are supposed to chase these standards by performing best to their potential. Ultimately the actual performance is matched with the standard performance and certain decisions about the compensation of the employee are made. In the local value system the rewards and compensations are made partly on performance appraisal and mainly on many other irrelevant factors like nepotism, favoritism, baksheesh, caste system, and many others like this (Nasir, 2004). The following set of questions was asked to measure the existence of Performance Appraisal System in the organizations working in local environment. Five factors were asked in order to get the information; that are; competitive environment, performance management, friendly environment, new ideas generation, and need of training and development.

In the first statement, employees' idea about the relationship between "effective performance appraisal system and competitive environment" was asked. Majority 39.2% said 'mostly true', 48.4% said this is absolutely true that we are working in friendly environment, 37.4% said this is mostly true that we generate new ideas for organizational growth, and 30% said that 'performance appraisal system' motives us for further developments through trainings (Table 1).

Joseph (2000) found that the fair evaluation system makes the organization more competitive and motives personnel working over there to be more competitive. John (1976) concluded that modern business organizations must create friendly environment in order to reduce the risk of stress and irritation. In stressful and un-conducive environment an employee does not fulfill himself at his work place but denies responsibility and procrastinate the tasks, and also has a feeling of missing rather than well being.

**Table 1. Percentage distributions along with mean and standard deviation regarding the performance appraisal system**

**N = 500**

Performance Appraisal System	Absolutely Not {%}	Rarely {%}	Neither agreed nor disagreed {%}	Mostly true {%}	Absolutely true {%}	Mean	Std. Dev.
Effective performance appraisal system have developed a competitive environment	7.4	12.2	9.4	39.2	31.8	3.76	1.23
Flexible and comfort working hour enables one to perform other duties as well	4.6	17.4	15.0	39.4	23.6	3.60	1.16
Personnel do not work in friendly environment	3.2	9.6	13.6	25.2	48.4	4.06	1.14
New ideas for organizational growth are encouraged and considered as performance	2.6	15.8	16.6	27.6	37.4	3.81	1.17
Organization always worry about the training of the personnel	7.4	16.6	17.6	28.4	30.0	3.57	1.27

### Training and Development

Globalization, structural adjustment, decentralization (devolution of power practices attempted in Pakistan recently), privatization, the proliferation of flatter, project oriented governments and organizations, all emphasize the critical importance of the development of human talent. Indeed, delegation of decision making and formation of sense of responsibility among citizens in general or employees in the organizations in particular now demand greater initiative, dynamism, responsibility, vision, entrepreneurship and professionalism. All are the challenges of globalization for both the nations and employees of the organizations (Prokopenko, 2000).

It was asked from the respondents to explore personnel perception about relationship between training and effectiveness and efficiency. Table 2 indicates that personnel who were responded 'absolutely true' and 'mostly true' comprising 45% and 35% respectively, they are 70% of the total respondents with response mean of 4.03 and standard deviation 1.20. This trend shows that respondents have accepted that trained employees always perform their jobs efficiently and effectively.

When the respondents were asked about 'uncertainty prevails in their organization', 34% said 'rarely'. There is negative relationship between 'training and development' and uncertainty. Hence the export based textile organizations have mainly minimizing such uncertainties that are the integral part of the modern value system (Hofsted, 2003). These organizations

minimizes uncertain through launching effective training programmes.

The next sequential statement was 'mostly people don't show responsibilities in their assignment'. 40.6% of the respondents said 'rarely', that expressed that majority who understands the significance of training also work with devotion and determined to their responsibilities.

The next statement is about personnel's view on "lack of training caused 'No Culture' of introducing new ideas". Almost 30.0 said 'mostly true'. This reflects the importance of culture and its relationship with training and learning. This can also be said that the employees of export based textile organizations were familiar with the modern concept of formal and informal training and to equip with new ideas. This flexibility in behavior, in order to equip some one with ongoing changes is a reflection of behavioral change that is not part of the local value system; that was mostly conservative and based on traditional thoughts. Hence the concept is supported that modern value system is affecting the employees' perception regarding 'training and development'.

### Performance appraisal system and behavioral shift

Performance appraisal system affects the cognition and behavioral shifts. To check the association, certain statements were asked from the respondents like appraisal systems, effects on competitiveness of the environment, working hour, other than the described tasks, new ideas generation and encouragement, advance and professional education of personnel.

**Table 2. Percentage distributions along with mean and standard deviation regarding the training and development**

N = 500							
Statements regarding training and development	Absolutely Not {%}	Rarely {%}	Neither agreed nor disagreed {%}	Mostly true {%}	Absolutely true {%}	Mean	Std. Dev.
Trained people always show more effectiveness and efficiency	7.4	6.8	5.8	35.0	45.0	4.03	1.20
Personnel perform their duties in uncertainty	15.4	34.0	23.6	21.4	5.6	2.68	1.14
Mostly people do not show responsibility in their assignments	14.2	40.6	17.2	22.8	5.2	2.64	1.13
The climate is very warm and work stimulated	20.2	25.2	22.4	15.0	17.2	2.84	1.37
Lack of training caused 'no culture' of introducing new ideas	7.2	19.6	17.4	29.8	26.0	3.48	1.26
Mostly the employees work in leisure mood	6.2	32.6	26.4	17.8	17.0	3.07	1.20
People often exhibit conflicting opinions at different times	5.8	28.0	22.6	24.8	18.8	3.23	1.21

Responses were recoded on likert scale and further categorized in three types; the organizations exercising high, medium, and low performance appraisal systems. Chi square tests were applied to verify the results. Pearson chi square, likelihood ratio, and linear-by-linear association tests revealed values 110.525, 112.603 and 82.536, respectively, indicating relationship between performance appraisal system

The findings match with the findings of Nozick (1974) who concluded as 'there is a highly significant relationship between performance appraisal system and change in behaviors'.

#### Training and development and behavioral shift

Training and development have strong impact on behavioral shift. The relationship between 'training and

**Table 3. Association between 'Performance Appraisal System' and behavioral shifts**

Statistics	Value	Df	Significance Level
Pearson Chi-Square	110.52	4	0.00**
Likelihood Ratio	112.60	4	0.00**
Linear-by-Linear Association	82.53	1	0.00**
Gamma	0.54		0.00**

\*\*Indicates the significance of relationship at 1 per cent level

and behavioral shift (Table 3). All these are significant at 1% level of significance. Furthermore, Gamma test applied, its value is .545 that shows positive strong association between performance appraisal systems and behavioral shift and also proved significant at 1% level of significance. Hence the hypothesis "higher the performance appraisal systems higher the behavioral shift" has been accepted.

development' and behavioral shift is explored by asking few statements from the respondents on likert scale. Main focus was on effectiveness and efficiency between trained and non trained personnel, performance under uncertainty, responsibility, working environment, introduction of new ideas, conflicting opinions, etc. Different values of Chi-square, Gama, Likelihood Ratio, and Linear by Linear association

given in Table 4 clearly reflects strong association between training and development and behavioral

environment, need for training and development is always there for attaining organizational goals.

**Table 4. Association between 'Training and Development' and behavioral shifts**

Statistics	Value	Df	Significance Level
Pearson Chi-Square	162.56	4	0.00**
Likelihood Ratio	156.58	4	0.00**
Linear-by-Linear Association	114.13	1	0.00**
Gamma	0.67		0.00**

\*\*Indicates the significance of relationship at 1 per cent level

shifts. The result matches with several research findings but mainly with Abbot (1988) who argued that the 'training and development is behavioral modeling and conditioning that not only soften the behavior to adopt many changes rather makes one innovative enough that he starts generation of many ideas that further affects either positively or negatively on the targets.

## CONCLUSIONS

It is concluded that socio-economic aspects of the respondents in terms respondents' educational attainments and economic conditions do have effect on respondents' behavioral shift-shift from traditional business value system to modern business value system, where every activity is pre-calculated and personal feelings and sentiments have no space and room in addressing organizational goals and objectives. 'Performance appraisal system' exerts influence on behavioral shift. The bivariate analysis demonstrates that the respondents who had been working under the low level of 'performance appraisal system' had the lower level of behavioral shift as compared to the respondents who had the high level of 'performance appraisal system' and had the high level of behavioral shift. Findings indicate that as the organization is adopting more systematic 'performance appraisal system' the level of behavioral shift also increases. 'Training and Development', the index variable, is identified as an important predictor in predicting the behavioral shift of the personnel working in export based textile organizations. The bivariate analysis demonstrates the association of 'training and development' with behavioral shift. All tests of significances established the significant relationship between the 'training and development' and behavioral shift. It is maintained that employees go for training and development when they have some problems or issues. In this modern era of ever changing

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