

Impact of Training and Development, Performance Appraisal and Reward System on Job Satisfaction

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Abstract

This research attempts to review various researches in term of relationships between rewards, performance appraisal and training & development on job satisfaction. Purpose of this study was to find out that how these factors effect on job satisfaction. Different colleges are chosen for data collection. The study was based mainly on Primary data in form of questionnaires. Questionnaire is adopted from previous papers with 5 likert scale and the sample size was 200. Study shows the positive and significant relationship between dependent and independent variables. Researcher used correlation, regression and reliability analysis to analyze the data. Extent of research emphasize on the relationship between employee performance and job turnover as independent with the moderating role of pay-for-performance on job satisfaction.

Key Words: Training & Development, Performance Appraisal, Reward System, Job Satisfaction.

Introduction

Organization is a cluster of people who work together to accomplish its goals and objectives. In any firm people work called employees. Employees are the asset of the firm. To select, attain and retain an employee

is mainly thorny task in any firm. Organizations require that personality who can be advantageous for it along with employee wants superior remuneration, recompense, holidays, additional benefit, gross etc. performance appraisal and reward system are the best methods. When an employee is satisfies with his job his production robotically increases.

Job training and job satisfaction are the major factor in any organization. These have been researched for many of the years at a wide range, but as the time passes we gather new research and literature review can b helpful in this. Training is a set of activities which is helpful for the employees of the organization that augment its knowledge, skills and competencies. After training he can perform even better and helpful for organization to achieve goals as well.(Schmidt., 2010). Training is provided at every level but epoch, skill level and back ground may differ. 20 years ago training was not paid too much attention in any organization but after 20 years it became a major part in any firm. Truitt, D. L. (The Author(s) 2011).

Training effecet employee performance and its satisfaction. A survey was conducted by United kingdom in 2006 that shows that 87% of organizations has tto face difficulty while recuiting the staff and if we study deeply we will come to know that 72% of them were those who have skill gaps 60% need improvement and in a recent review organization of Economic Corporation states that shortage of skills can also effect economic growth. In any industry training is needed to be ensur and this is the major responsibility of an HR manager. Training is also conducted to increase information technology, skills, problem solving and to increase their communication skills.(SILA, 2014).

History of performance appraisal started in early 20's by Taylor but it was not enough for broader terms. Appraisal has been used since many years. Without appraisal system we cannot judge any person any employee in any organization .In 1950's appraisal used as a tool of motivation and development of any employee. (Mohsin Alvi M. S., 2015). It is an interaction between the supervisor and subordinate and usually conducted through interview (Vignaswaran, 2008).

Performance appraisal influence on organization commitment and citizenship behavior these factors are directly related to job satisfaction and as a result employee's productivity increases or decreases. Employee with high level of performance appraisal are more satisfied with their jobs but our existing system has a lack of appraisal that can check the actual effectiveness of an employee. (Dr.s.Kuppusamy,2014). Employee's that work under pressure can never increase the productivity. A friendly environment and corporation and coordination of mangers can help them to perform their jobs well. Warming up giving fair chances of promotions, low work load, security could be the reasons of increasing productivity and can be result of job satisfaction. Job satisfaction can also leads to mental satisfaction and a source of happiness for any employee at any level. (Saxena Neha, 2015).

Motivation is a sum of many processes which influence directly and indirectly on employee performance and productivity. Today employee will work if he be motivated. Motivation depends on some intrinsic and extrinsic factors. Employee will be motivated if he will be rewarded with bonus, holiday package, incentives extra salary and some words of encouragement can also increase its moral and if the employee has motivated he will be focused to achieve the goals. He will work even harder. (Ali Usman, 2010).

Job satisfaction is also called employee satisfaction. It describes whether the employee is happy with his job, work environment, supervision etc. The assessment of job satisfaction started from 1930's and in 1934 1st psychological use of this phenomenon was conducted. Which things that can effect employee satisfaction are communication strains, auxiliary communication and strategic employee identification? Job satisfaction is dovetail with life satisfaction. People who are satisfied with their lives are also satisfied with their jobs & vice versa.

There should be a balance between employee and employer. This is the reason that today the need reward came. When an employee is rewarded he becomes satisfied with his job. Equal Employee opportunity

(EEO) would give to employee they will definitely work hard and will be loyal to their firm. Appreciation, encouragement, promotions play an important role. This reward system gained too much importance in recent days. It is usually applied to increase the productivity and job satisfaction. They can be financial and non financial. (Alam Zeb).

Training and development, Performance appraisal and reward system all these factors are linked with job satisfaction. If one has low training or no performance appraisal and no reward system he cannot perform his job in a better way. Relationship of these three factors influence positively in the productivity of an employee and can be helpful to perform his job as well.

Problem Identification

Today the biggest challenge which every organization has to face is to attract, retain and to train the employee. When any organization is providing training they are basically investing their money and time as well and in some cases trainee is not ready for training. He does not want to follow the rules and regulation of the organization.

It can be a cause of failure to identify the actual need of the trainee. All the objectives set by the trainee rather than trainee. When trainer is providing them guide they accept few things for their own development. Learner does not follow all the things/subjective which is been taught in training program. Performance appraisal is one of the best things in an organization or for any employee but unfortunately it is not one of the most favorite things for managers and employee. A manager who is conducting performance appraisal should have experience of many years. He should know how to conduct it effectively.

Managers should know the better way of MBO, 360degree feedback, multirater etc. performance appraisal cannot check the actual performance. Managers usually focus on their commitment, knowledge, competency but performance basically measure on the output and chance productivity of any employee.

In performance appraisal there is not connectivity with the reward system. It is due to the weak link in appraiser and appraise. When the manager take the performance appraisal there is no 2nd chance of reviewing it once again. They just take the appraisal fill Performa's and send to upper management. Biasness can exist in it.

If mangers like 1 employee he can take his side and make a good impression in the eyes of upper management. On contrary if he does not like any person he can badly damage his image. The employee is not alert about his fed back. Basically it is a one way process. Only middle, top managers are involved. Anxiety exists in this process because managers if he is really loyal with his job and cooperative with his employee he becomes very anxious about the uncertain reaction of the employee.

Reward has been considered as a most powerful motivator in the performance of an employee in any job. In today's business world a manager has a fewer ways to influence on the employee. Lack of job satisfaction leads to job strikes.

Employee interview with the media can damage the reputation of organization when they will blame on management. If need of employee are fulfilled there exist very rare chances of dissatisfaction. Rewards now have categories merit base reward, piece rate incentives, compensation, and bonus, recognition in management, autonomy and independence. These categories can be result of dis- satisfaction. If one employee gets all of these and other does not then that employee would feel bad and chances of non-productivity can occur.

Prolem Statement

How the job satisfaction has a significance relationship on training, performance appraisal and reward system?

Research Objectives

The purpose of this study is:

- a) To explore the relationship between performance appraisal with job satisfaction?
- b) To identify the relationship between training & development with job satisfaction?
- c) To analyze the relationship between reward system with job satisfaction?

Research Questions

- a) What is the effect of performance appraisal on job satisfaction?
- b) What is effect of training & development on job satisfaction?
- c) How reward system effects on job satisfaction?

Significance of Study

Educational and Practical

This study can be an opportunity for students to determine how much training & development, performance appraisal and reward system can be helpful in the organization. When employees are on training they miss out their work which can disturb their project to perform it just in time. This study will help how to balance with his job and his training. Training is fruit full for employee and employer. The methods which have been discussed in this study can refresh and increase their knowledge. They can determine how to train an employee whether it I on the job or off the job which can enhance the productivity.

Performance appraisal tells how success and failure depend upon it. This study will explore the relationship of performance appraisal with job satisfaction also provide important and use full information to determine where the skill needed, knowledge, competencies all the things related to job. As a supervisor how will you guide your employee? It is providing a path to employee how to improve their selves and also how can they enhance their capabilities. And as a result this leads to reward system. As all know it is the basic and most important part of management bonus, commission, promotion and praise all things are directly linked with reward system.

As for educational this study will put a positive influence on students. They can take help from this, if they find any sort of gap they can research more on it. And as practically in an industry they can ensure how to train, appraise and finally give reward to any employee. Employer will know how to handle them. How to attain and retain them? When and how all these factors influence on job satisfaction? After all these things are about satisfaction.

Litterature Review

Relationship between Training and Job Satisfaction

The study shows that there is correlation between training and job satisfaction. Job training and job turnover has positive impact over this. (Abdul Hakim Ahmad Dardar, (2012)).

Managers should know what competency, skill and level is desirable during training? That can effect appreciably on job satisfaction. It also ensures the learning program. If any organization is not providing training then managers and trainer should team up and endow on training because it is asset for the organization. Managers should ensure the environment of that room where training is going to held. (Scodaa, 2014).

The study shows that employee training and learning, employee relation dominates job satisfaction. Statistical analysis and t-test shows that job satisfaction leads to life satisfaction. Love with your job, scarifies and loyalty can be a mediating factor.(Kamil Erkan Kabaka, 2014). Training lends a hand employee. It helps employee in their development and growth. Hence it is essential that with training also motivate them to ensure in achieving organizational goals and objectives. (Abdul Raziqa, 2015).

Result shows the psychotherapy among job satisfaction and training. There are quantity of factors which persuade employee performance for instance; satisfaction from the performance, working environment, compensation policies. (Ch. Platisa, 2015). Finding shows that actions and decisions of executive and his lessons has affirmative effect in lenient the role of an employee. Not just that satisfaction with exertion has activist effect of career vow and organizational pledge. (Selma KALKAVAN, 2014).

Relationship between Performance Appraisal and Job Satisfaction

Performance appraisal gained much importance in HRM. This study shows that some appraise and appraiser do not like performance appraisal. Why is it that so? The paper collects the review about the conflict in peers, colleagues, subordinates, mangers, politicians and injustice of organization. (Lu Huia, 2009).

The study shows behavior of employee towards organization and the result tried to find out what are the motivational factors exist there. A survey was conducted from 19 companies in Kolkata by 506 employees (a state of West Ban-gal). Here they used regression analysis. The result shows that the line manager plays a vital role in performance appraisal. Issues came when company size is not large. (MK Sanyala, 2014). The study shows that until now very low attention was given to appraisal system. It had been seen that biasness, manipulation exist here and there is no justice in this system. The result shows how justice and trust can affect the appraisal system. It can also consider as a catalyst or a moderator factor. (MISHALINY SIVADAHASAN NASIR).

Trust can be a mediating factor. Manager should give justice to the entire employee.(MISHALINY SIVADAHASAN NAIR, 2015). The study shows performance appraisal is compulsory in any organization. Satisfaction with performance appraisal also arises when there is positive increase in pay,promotion, award for instance benefits and insurance. (Patrick Henry Ibeogua, 2015). It is very essential for the mangers to pay no heed to someone. They should give concentration to all and sundry and harmonize with their subordinates. Pinpointing should not take place in any firm.(Çelika□, 2014).

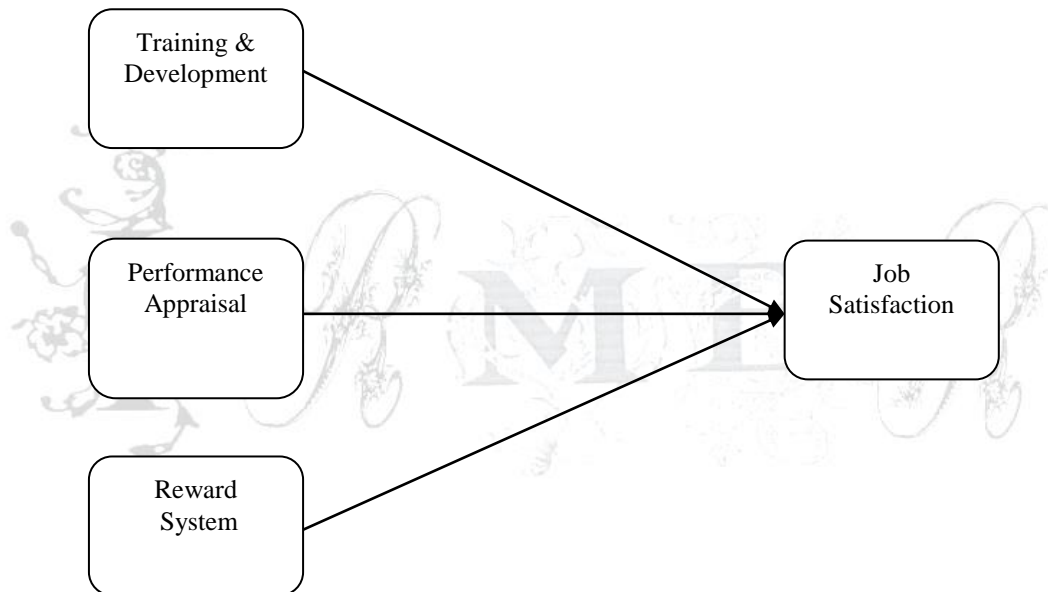
Relationship between Reward System and Job Satisfaction

Findings show that process control and reward system has both negative and positive effect on job satisfaction. When organization is budgeting and scheduling they also include reward in it. Compensation is the major factor in firm. If employee is doing good bonus, holidays, formal and informal recognition are their rights. Output and excellence of work boost.(Pilar Carbonella, 2016). Financial and non-financial awards are comprised on it. The study shows the regression analysis that indicates stronger the relationship of financial awards stronger the employee satisfaction. (Farah Liyana Bustamama, 2014). As reward has a positive consequence on job satisfaction and consequential promotion is a gift but not working hard can be a result of demotion and punishment.(Jitka Jakešová*, 2016).

The study shows that award is a circuit which joins employee with his job that leads to satisfaction. The study shows that correlation analysis is been used here. Correlation of award and goal achievement been discussed. When performance is good highly affiliating and in return no award no recognition is given to you that can be a cause of depression.(TobiasBracht, 2015).

The aim of the study is to find out link between reward and job surroundings. For this rationale 250 questionnaires were disseminated in few companies and in return 150 questionnaires came back that were used for analysis. The data was analyzed on the correlation and frequency test. As a outcome reward system is directly associated to work engagement.(Fatini Hanim Binti Mohamed Taufek*, 2015). Job satisfaction directly related to the performance and reward. Performance is directly related to the knowledge, skills, management, capabilities and employee skills. The study was conducted between the satisfaction and reward and performance. A questioner was developed with 7 likert scale and was distributed to 246 employees and as a result it was seen that satisfaction effect both positively and negatively on the performance and that may affect reward.(Ch. Platisa, 2014,).

Research Model



Research Hypotheses

- H1: There is strong positive impact of training and development and job satisfaction.
- H2: There is strong positive impact of performance appraisal and job satisfaction.
- H3: There is strong positive impact of reward system and job satisfaction.

Methodology

Research Design

The research study is descriptive in nature. Describing the characteristics of a particular individual or a group studies concerned with specific descriptive research studies. This study was conducted among Faculty members of the college. That was of descriptive in nature.

Area of the Study

The data collected for this study covers COLLEGES only.

Sampling Technique

The Stratified, convenient sampling. All the teachers were taken into consideration. Research was conducted on clear assumptions that the respondents would give frank and fair answers in a pragmatic way and without any bias.

Tools for Collection and Analysis

Collected a method is used to collect the primary data four point scale Secondary information was collected from records, journal, and books. Collected data were arranged in logical of sequential order. Questions related the variables are adopted.(Olubukunola, 2015S) . To analysis the data percentage analysis has been made simple bar diagrams pie charts, has been used for diagrammatic representation of data. Chi-square was used to test the data, hypothesis were framed to have a meaningful study of stress management among teachers in Punjab colleges, Concordia College, Superior group of colleges Okara.

Sample Size

Keeping in mind all the constraints, the size of the Sample of the study was selected as 200.

Sampling Unit

Due to nature of study, we also visited Punjab colleges of Okara, Concordia College, and Superior group of colleges Okara District.

Sampling Description

In order to understand the nature and characteristics of various respondents in this study, the information was collected and analyzed according to their jobs that what are their levels of satisfaction? Whether they gained training? What was the recruitment and selection process? Are they performing? What are their appraisal methods? They are rewarded with incentives, bonuses, increments, wages or any type of reward. This description shows that respondents included in this survey belong to different backgrounds and this turn increase the satisfaction of employees.

Data Analysis

Correlating and regression analysis are used to find out impact of variables and also find the relationship of these variables.

Reliability Analysis

Reliability Statistics	
Cronbach's Alpha	N of Items
.927	32

The level of Cronbach alpha is 0.927 which is more then 0.7 with 32 items (Farah Ileana bustamam, 2014)

Correlation

Correlations

		TRAININGANDDEVELOPMENT	PERFORMANCEAPPRAISAL	REWARDSYSTEM	JOBSATISFACTION
TRAININGANDDEVELOPMENT	Pearson Correlation	1	.739**	.516**	.897**
	Sig. (2-tailed)		.000	.000	.000
	N	200	200	200	200
PERFORMANCEAPPRAISAL	Pearson Correlation	.739**	1	.706**	.944**
	Sig. (2-tailed)	.000		.000	.000
	N	200	200	200	200
REWARDSYSTEM	Pearson Correlation	.516**	.706**	1	.759**
	Sig. (2-tailed)	.000	.000		.000
	N	200	200	200	200
JOBSATISFACTION	Pearson Correlation	.897**	.944**	.759**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	200	200	200	200

**. Correlation is significant at the 0.01 level (2-tailed).

This table shows the relationship between all the variables. Correlation test shows that all the variables are strongly positive and significantly correlated. It is noted that training and development and job satisfaction are strongly positive and significantly rated ($r = 0.879$, $p < 0.01$). So H1 there is a positively and significantly relationship between training and development and job satisfaction is accepted. Performance appraisal is also shown a strong positive and significantly related with each other ($r = 0.944$, $p < 0.01$) so H2 there is strong positive and significant relationship between. Performance appraisal and job satisfaction is accepted. Reward system and job satisfaction has strong positive and significantly related ($r = 0.759$, $P < 0.01$) so H3 there is positive and significant relationship between reward system and job satisfaction is accepted.

Regression

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.998 ^a	.997	.996	1.25841

a. Predictors: (Constant), Rewardsystem, Traininganddevelopment, Performanceappraisal

R Square Value

The value of R .997 shows that all independent variables training and development, performance appraisal, and reward system questions contribute. Strongly effect on dependent variable of job satisfaction.

Anova Model

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	88838.583	3	29612.861	1.870E4	.000a
	Residual	310.386	196	1.584		
	Total	89148.969	199			

a. Predictors: (Constant), Rewardsystem, Traininganddevelopment, Performanceappraisal

b. Dependent Variable: Job Satisfaction

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	-2.550	.455		-5.604	.000
H ₁	.964	.014	.441	70.585	.000
H ₂	1.013	.016	.484	63.952	.000
H ₃	.665	.021	.190	31.839	.000

a. Dependent Variable: JOBSATISFACTION

H₁ beta value $\beta = 0.441$ it means that training and development has 44.1% impact on job satisfaction. The t value here is 70.585 as the t value is increase significant level decreases (0.000 which is > 0.05) so H₁ is accepted because there exists a positive impact of training and deployment on job satisfaction.

In H₂ ($\beta = 0.484$) it shows there is 48.4% impact of performance appraisal on job satisfaction here the t value is 63.952 as it increases the significant level is close to zero here significant level value is 0.000 so H₂ is accepted which strong positive impact on job satisfaction.

H₃ ($\beta = 0.190$) which shows that reward system has 19% impact on reward system here the t value is 31.839 as this value is increases the significant value is close to zero here the significant value is 0.000 so H₃ also accepted which shows strong positive impact of job satisfaction.

Conclusion

In the current scenario business and the entire working environment they have to face a lot of challenges related to training, appraisal system and reward system and job satisfaction. Getting the right man for the right job is the basic issue in most of the firms. For getting higher productivity, effectiveness and efficiency in your work manager should motivate each employee. Reward should be distributed to everyone with no biasness. Proper ranking method should be chosen for appraisal and before all this training should provide to each employee of the organization (Baron, 1983).

Salary, wages, allowances, promotional schemes should be awarded on time on the other hand performance appraisal organization can increase the productivity. Once the employee has engaged in their work with full concentration productivity will definitely increase. From all the independent variables training is the most important. If training is not properly provided to the employee they would not work and if reward would not distributed equally or distributed on experience or seniority base only employee will resist. Definitely to attract and retain the employee is a difficult task.

Future Recommendation

Extent of research emphasize on the relationship between employee performance and job turnover as independent with the moderating role of pay-for-performance on job satisfaction. Future study can be concentrated on testing the proposed framework of this study in different scopes and industries. The area which is used in this research is limited. Recommended that in future area can be increase. Moreover sample size can be increase from 200 to 400.

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