



A STUDY ON IMPACT OF PMS ON EMPLOYEES' PERFORMANCE Of BAJAJ ALLIANZ LIFE INSURANCE COMPANY LTD.

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Abstract:

The goal of the current study is to analyze and look at how the performance management system affects employee performance. The quantitative mono technique was used in this investigation. In order to examine the impact of a performance management system on employees' performance, a deductive method and survey strategy were employed. Data was gathered from respondents using an adopted questionnaire. A total of 50 employees of the Bajaj Allianz Life Insurance Company Ltd were included in the study's sample; 130 of them responded. To examine the link between the variables and the effects of the independent variable on the dependent variable, regression and correlation were used. A performance management system was determined to have a considerable impact on employees' performance based on the study's findings. Additionally, it was determined that employee performance and performance management system had a substantial and favorable link. Through its information regarding the relationship and impacts of performance management system on employee performance,

Keywords:

Employee Performance, Performance Management System, Planning & Development and Rewards Etc.

Introduction:

One of the key elements that contributes most to any business's success is employee performance. As a result, many managers look for creative ways to assess employees' performance and inspire them within the organization's performance management system (PMS) in an efficient and effective manner. Increasing employee productivity and their sense of belonging to the company is the main objective of employee motivation. In order to achieve greater levels of work performance, many contemporary businesses place a greater emphasis on their PMS. Since the promotion and management of employee participation to achieve high levels of career performance can be achieved by instructing the PMS to enhance employee participation through employee participation and managing the participation process in accordance with a particular method (Gruman and Saks, 2011), the performance increase can be achieved. Performance management is one of the most complex methods used in human resource management. Employers may inform employees about how quickly they are growing their skills, abilities, and potential when performance assessments are conducted correctly. According to Pallor and Padmavathy (2016), performance assessment is a powerful tool used by businesses to organize and coordinate employee capabilities in order to help them in accomplishing their strategic goals. PMS are necessary to improve

the efficacy of organizations. PMS are necessary to improve the performance and efficacy of organizations. However, 70% of performance management systems that have been put into place have failed; as a result, businesses need to comprehend the characteristics of these systems in order to achieve successful organizational outcomes. Performance management, a subset of talent management, is the evaluation and tracking of both individual and organizational performance with the ultimate goal of boosting the effectiveness of the organization. Managers work together with their team to establish performance goals, assess performance results, and reward performance (Kaur & Singla, 2019). The establishment of the Human Resources Development Fund and its function in organizing, recruiting, and educating Saudis have been recognized by Saudi Arabia's economic decision-makers. They are also in charge of overseeing direct job applications, keeping track of newly hired employees, and maintaining business continuity. The Human Resources Development Fund emphasizes financial incentives heavily, which helps to enhance the level of national incomes, in addition to improving workers' expectations and satisfaction with material advantages (Dothan and Albar, 2015). In order to relieve strain on the public sector and promote economic growth, Saudi Arabia's decision-makers also began focusing more on the private sector, with the aim of employing Saudis at a rate of 50% of the total workforce in any enterprise. This decision had a big impact on enabling the private sector to get government funding meant to support private companies and help them fulfill emerging economic requirements. We review the topic in theories that explain their relationship to one another as well as current literature that discussed this topic in various locations and with various evaluation methods in order to examine the effect of the PMS on employee performance and their effectiveness in completing the tasks assigned to them in this article. In order to construct a proposed theory regarding the impact of performance management on employee performance, the paper employs a deductive approach to explain the relationship between performance management and employee performance in light of prior research.

Literature Review:

Adam Study (2020) was to find out how the employees of UN-Somalia Habitat's program fared in terms of PMS. Furthermore, the study aims to examine how UN-Somalia Habitat's program is affected by performance standards, performance metrics, quality improvement procedures, and progress reporting. The investigation proved that there is no correlation between quality improvement methods, performance criteria, or personnel performance. However, the study did find a considerable positive correlation between employee performance and progress reports. Regression analysis also showed that staff performance benefited greatly from progress reporting. based on a survey of 924 employees of Indian tech service companies.

Manipuri et al., (2019) conducted a pilot study to examine the impact of a PMS on worker performance. Thirteen distinct parameters were used to evaluate the performance management system. It was found using multiple regression analysis that nine components were in charge of improving performance, and that five elements affected performance management. The results showed that employee productivity is significantly increased by the performance management system. In an attempt to give a comprehensive analysis of the effect of performance management on performance in public institutions using three techniques, Gerrish (2016) used 2,188 impacts from 49 researches. First, the impacts of a "medium" level performance management system are examined. The influence of management is examined in the second section, which also assesses whether effective performance management practices reduce the total effect.

Thirdly, it examines the impact of "time" on performance management. Through research, an averagely small impact of performance management was found. The impact is substantially greater when high-quality research incorporates best practice indicators.

Numerous studies using a range of research approaches have looked at the relationship between employee performance in companies and performance management. Here, we examine the most significant studies that tackled the problem and the most significant findings they reached, according to **Kaur and Singla (2019)**: The study's objective was to thoroughly assess the aspects of performance management that have a major impact on

employee engagement and, in turn, increase organizational effectiveness. Although the research on the subject is still relatively new, employee engagement has gained enormous traction in the commercial world. Proponents of the concept assert a substantial correlation between employee engagement and organizational performance, both within the workplace and among coworkers. It is impossible to achieve strong organizational performance without the active participation of every employee. The study found that participative decision-making and empowerment—which contribute to recognition—have the most beneficial effects on employee engagement. As a result, businesses will have an easier time developing PMS that boost worker engagement.

According to Van Waeyenberg (2017), efficient PMSs enhance worker productivity and wellbeing. The relationship between an employee's physical health and performance was largely independent, but the relationship was tempered by their psychological health. This study contributes to our understanding of effective PMSs, their application, and their potential to enhance worker welfare and productivity.

According to Mulwa's (2017) research, a PMS increases employee performance by providing a reliable performance metric, increasing productivity, and assisting employees in achieving their objectives. According to the study's findings, putting in place a PMS enhances worker performance by assisting workers in creating personal goals that are connected to the overall goals of the company, identifying skill gaps that require training, and generally increasing worker productivity. The study made several recommendations for management, including raising employee awareness of the importance of the PMS filling training gaps, rewarding top performers, conducting evaluations in a professional manner, and providing detailed notes on employee performance.

Research Methodology:

Research Design: Exploratory research design is used in this study.

Sample Size: 50 Employees of the Bajaj Life insurance which was selected from Bhopal branch of Bajaj life insurance

Sample Design: Convenience Sampling Method is used for this research

Data collection: Basically, we used primary data for this study which are based on questionnaire method.

Limitation of the study:

- Time and cost are constraints.
- Sample was taken only Bajaj life Insurance.
- Only Bhopal Branch taken for this study.

Objective of the study:

- To study about the Performance management system of Bajaj life insurance Ltd. Bhopal.
- To study about the employee performance affected by Performance management system.

Hypotheses of the study:

H01: There is no significant impact by planning & development on Employee performance.

H02: There is no significant impact by rewards on employee performance

Data Analysis & Interpretation

1. Your work is satisfying and worthwhile and helps contribute to the success of the company.

	No. of respondents	% of Respondents
Strongly Agree	32	64
Agree	8	16
Neutral	5	10
Disagree	3	6
Strongly Disagree	2	4
Total	50	100

Interpretations: In the question no. 1, 64% respondents strongly agree ,16% agree, 10% neutral, 6% Disagree & 4% strongly disagree with the organization.

2. Does the manager establishes plans and work objectives with you.

	No. of respondents	% of Respondents
Strongly Agree	41	82
Agree	5	10
Neutral	2	4
Disagree	1	2
Strongly Disagree	1	2
Total	50	100

Interpretations: In the question no. 2, 82% respondents strongly agree ,10% agree, 4% neutral, 2% Disagree & 2% strongly disagree with the organization.

3. In your opinion does performance management system of the company identifies the training needs?

	No. of respondents	% of Respondents
Strongly Agree	38	76
Agree	6	12
Neutral	4	8
Disagree	1	2
Strongly Disagree	1	2
Total	50	100

Interpretations: In the question no. 3, 76% respondents strongly agree ,12% agree, 8% neutral, 2% Disagree & 2% strongly disagree with the organization.

4. Is the promotional policy well defined in the organization?

	No. of respondents	% of Respondents
Strongly Agree	36	72
Agree	7	14
Neutral	3	6
Disagree	3	6
Strongly Disagree	1	2
Total	50	100

Interpretations: In the question no. 4, 72% respondents strongly agree ,14% agree, 6% neutral, 8% Disagree & 0% strongly disagree with the organization.

5. Does the company maintains salary level that compare well to other companies in this area.

	No. of respondents	% of Respondents
Strongly Agree	42	84
Agree	4	8
Neutral	2	4
Disagree	1	2
Strongly Disagree	1	2
Total	50	100

Interpretations: In the question no. 5, 84% respondents strongly agree ,8% agree, 8% neutral, 0% Disagree & 0% strongly disagree with the organization.

6. How often the performance appraisal form filled or Performance Appraisal is done.

	No. of respondents	% of Respondents
Strongly Agree	33	66
Agree	7	14
Neutral	5	10
Disagree	3	6
Strongly Disagree	2	4
Total	50	100

Interpretations: In the question no. 6, 66% respondents strongly agree ,14% agree, 10% neutral, 6% Disagree & 4% strongly disagree with the organization.

7. Is compensation linked with performance?

	No. of respondents	% of Respondents
Strongly Agree	40	80
Agree	3	6
Neutral	4	8
Disagree	2	4
Strongly Disagree	1	2
Total	50	100

Interpretations: In the question no. 7, 80% respondents strongly agree ,6% agree, 8% neutral, 4% Disagree & 2% strongly disagree with the organization.

8. Does your supervisor recognize your performance?

	No. of respondents	% of Respondents
Strongly Agree	39	78
Agree	5	10
Neutral	2	4
Disagree	3	6
Strongly Disagree	1	2
Total	50	100

Interpretations: In the question no. 8, 78% respondents strongly agree ,10% agree, 4% neutral, 6% Disagree & 2% strongly disagree with the organization.

Hypotheses Testing

Hypotheses 1

H01: There is no significant impact by planning & development on Employee performance.

H11: There is a significant impact by planning & development on Employee performance.

Results						
	Strongly Agree	Agree	Neutral	Disagree	strongly Disagree	Row Totals
Contribution to success	32 (36.75) [0.61]	8 (6.50) [0.35]	5 (3.50) [0.64]	3 (2.00) [0.50]	2 (1.25) [0.45]	50
training needs	38 (36.75) [0.04]	6 (6.50) [0.04]	4 (3.50) [0.07]	1 (2.00) [0.50]	1 (1.25) [0.05]	50
Planning & Objectives	41 (36.75) [0.49]	5 (6.50) [0.35]	2 (3.50) [0.64]	1 (2.00) [0.50]	1 (1.25) [0.05]	50
Promotional Policy	36 (36.75) [0.02]	7 (6.50) [0.04]	3 (3.50) [0.07]	3 (2.00) [0.50]	1 (1.25) [0.05]	50
Column Totals	147	26	14	8	5	200 (Grand Total)

The Null hypotheses is rejected and alternate hypotheses is accepted so the planning & development impact on employee performance. The chi-square statistic is 5.9611. The p -value is .918032. The result is not significant at $p < .05$.

Hypotheses 2

H02: There is no signification impact by rewards on employee performance

H12: There is a signification impact by rewards on employee performance

Results						
	Strongly Agree	Agree	Neutral	Disagree	strongly Disagree	Row Totals
Maintain Salary level with other companies	42 (38.50) [0.32]	4 (4.75) [0.12]	2 (3.25) [0.48]	1 (2.25) [0.69]	1 (1.25) [0.05]	50
Performance Appraisal form filled	33 (38.50) [0.79]	7 (4.75) [1.07]	5 (3.25) [0.94]	3 (2.25) [0.25]	2 (1.25) [0.45]	50
compensation	40 (38.50) [0.06]	3 (4.75) [0.64]	4 (3.25) [0.17]	2 (2.25) [0.03]	1 (1.25) [0.05]	50
supervisor	39 (38.50) [0.01]	5 (4.75) [0.01]	2 (3.25) [0.48]	3 (2.25) [0.25]	1 (1.25) [0.05]	50
Column Totals	154	19	13	9	5	200 (Grand Total)

The Null hypotheses is rejected and alternate hypotheses is accepted so there is an impact by rewards on employee performance. The chi-square statistic is 6.9101. The p -value is .863498. The result is not significant at $p < .05$.

Findings, Suggestions and Conclusions:

Findings:

1. In the question no. 1, 64% respondents strongly agree ,16% agree, 10% neutral, 6% Disagree & 4% strongly disagree with the organization.
2. In the question no. 2, 82% respondents strongly agree ,10% agree, 6% neutral, 2% Disagree & 0% strongly disagree with the organization.
3. In the question no. 3, 76% respondents strongly agree ,12% agree, 8% neutral, 2% Disagree & 2% strongly disagree with the organization.
4. In the question no. 4, 72% respondents strongly agree ,14% agree, 6% neutral, 8% Disagree & 0% strongly disagree with the organization.
5. In the question no. 5, 84% respondents strongly agree ,8% agree, 8% neutral, 0% Disagree & 0% strongly disagree with the organization.
6. In the question no. 6, 66% respondents strongly agree ,14% agree, 10% neutral, 6% Disagree & 4% strongly disagree with the organization.
7. In the question no. 7, 80% respondents strongly agree ,6% agree, 8% neutral, 4% Disagree & 2% strongly disagree with the organization.
8. In the question no. 8, 84% respondents strongly agree ,12% agree, 4% neutral, 0% Disagree & 0% strongly disagree with the organization.

Conclusions: Overall company performance management system is good and we find out the planning & development and rewards strategy followed by company is impacted on employee performance.

Suggestion:

It is advised that management of any organization get down and reconcile its PMS practices in order to make them more sustainable, based on the study's findings. It is advised to examine and take into account employee issues, as well as to recognize them and assist staff in addressing them as a cohesive group. Companies ought to introduce techniques for acknowledgment. When workers feel that their efforts are valued and acknowledged, it will boost their motivation and sense of encouragement. Organizations should involve employees in goal formulation and provide rewards for their efforts in order to accomplish the necessary objectives.

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