

## PERFORMANCE MANAGEMENT SYSTEM IN THE EDUCATION SECTOR: A STUDY OF FULL-TIME MBA FACULTY IN PRIVATE INSTITUTES IN NAVI MUMBAI

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### Abstract

The private management education sector in India has grown rapidly over the last two decades, and full-time MBA faculty are central to the academic quality, accreditation standing and long-term competitiveness of private business schools. A well-designed Performance Management System (PMS) is widely regarded as a key mechanism through which institutes can align faculty effort with institutional goals, sustain motivation and retain talent. This paper examines the perception of full-time MBA faculty working in private institutes in Navi Mumbai towards four core dimensions of a Performance Management System, namely Job Satisfaction, Performance Appraisal, Training & Development, and Job/Career Opportunities.

Primary data was collected from full-time MBA faculty through a structured questionnaire and analysed using reliability analysis, correlation and multiple regression.

The results indicate that Training & Development and Performance Appraisal are significant predictors of faculty Job Satisfaction, while the relationship between Job/Career Opportunities and Job Satisfaction, as perceived by the respondents in this sample, was not found to be statistically significant.

The study concludes that private MBA institutes in Navi Mumbai that wish to improve faculty job satisfaction should prioritise structured training and development initiatives and a fair, transparent performance appraisal process as central pillars of their Performance Management System.

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**Keywords:** Performance Management System, Faculty Performance, Job Satisfaction, Performance Appraisal, Training and Development, MBA Faculty.

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### Introduction

Navi Mumbai has emerged as one of the fastest growing hubs of professional and management education in the Mumbai Metropolitan Region, home to a large number of AICTE-approved private institutes offering full-time MBA/PGDM programmes. As competition among these institutes intensifies for students, rankings, accreditation (NAAC/NBA) and industry recognition, the role of full-time faculty as the primary drivers of teaching quality, research output and institutional reputation has become increasingly important.

In this competitive environment, institutes can no longer rely on informal or ad-hoc methods of managing faculty performance. A structured Performance Management System that clearly links job satisfaction, performance appraisal, training and development, and career growth opportunities is essential for retaining quality faculty, sustaining their motivation, and ensuring continuous improvement in teaching and research outcomes.

Accreditation bodies increasingly expect private institutes to demonstrate documented faculty appraisal and development processes. Institutes that treat

performance management merely as a compliance exercise risk lower faculty morale and higher attrition, whereas those that use it as a genuine developmental tool tend to build a more engaged and productive faculty body.

### What is a Performance Management System?

A Performance Management System can be described as a continuous process of setting goals, monitoring progress, appraising performance, providing feedback, and developing the capabilities of employees so that individual performance remains aligned with organisational objectives. In an academic setting, this typically covers teaching effectiveness, research and publication output, administrative contribution, and continuous professional development of faculty.

Some of the advantages of a well-implemented Performance Management System in an educational institute are:

- improved teaching and academic delivery
- increased faculty job satisfaction

- clearer career progression path for faculty
- closer alignment with institutional and accreditation goals
- enhanced research and publication output
- reduced faculty attrition
- a fair and transparent reward and recognition system
- stronger communication between faculty and management
- systematic identification of training needs
- overall institutional excellence and reputation

## 2. REVIEW OF LITERATURE

Performance management in higher education has received growing research attention as institutions face pressure to demonstrate quality and accountability. Kavitha (2026), in a review of secondary literature on management-faculty appraisal tools published between 1999 and 2024, classified appraisal tools into traditional, multi-source, strategic, quantitative and technology-enabled systems, and noted that subjectivity, over-reliance on metrics, and faculty resistance remain recurring challenges in appraisal design.

A study reported in JETIR (2018) on Performance Management Systems in higher education institutions proposed a three-component model covering faculty, non-teaching staff and students, and observed, drawing on Memon (2007), that teacher quality is central to institutional success and requires well-defined performance criteria. The same study, citing Chhipa (2009), noted that performance appraisal can be an effective lever to improve accountability and responsibility among academic staff.

Ghosh and Das (2013) examined performance management of faculty in higher education through an exploratory literature-based study and found that, despite public institutions often having greater infrastructural resources, private institutions tend to achieve better outcomes, attributed largely to closer supervision and monitoring of faculty performance.

Bashir, Khattak, Shahzad and Ramay (2008) studied performance appraisal practices in academic institutions and highlighted the importance of a structured and perceived-as-fair appraisal process for faculty motivation. Jalaliyoon and Taherdoost (2012) argued that performance evaluation in higher education is a necessity rather than an option, given the increasing accountability demands placed on universities and colleges.

Mittal and Gera (2013), in a structural equation modelling study on student evaluation of teaching effectiveness in Indian higher education, underscored the link between systematic evaluation processes and improvement in teaching quality. Tanveer and Karim (2018) similarly examined performance appraisal in higher education and reinforced the case for continuous, development-oriented appraisal rather than a purely evaluative exercise.

A comparative study of performance appraisal in higher academic institutions of India found that faculty satisfaction with the appraisal design varied across regions, with faculty in some states reporting

comparatively lower satisfaction than others, pointing to the influence of local institutional practices on how PMS is experienced by faculty.

Taken together, the reviewed literature suggests that while the importance of a robust Performance Management System in higher education is well established conceptually, empirical studies specifically examining full-time MBA faculty in private institutes, particularly at a regional/city level such as Navi Mumbai, remain limited. This provides the basis for the present study.

## 3. SCOPE & SIGNIFICANCE OF THE STUDY

Why study Performance Management System in the Education Sector (MBA Institutes) of Navi Mumbai?

Navi Mumbai has grown into a significant cluster of private management institutes, making faculty-related HR practices in this region an important area of study.

Full-time MBA faculty directly influence teaching quality, student outcomes, and the accreditation standing of private institutes, making their satisfaction and development critical to institutional success.

Understanding how appraisal, training and career-opportunity practices relate to faculty job satisfaction can help private institutes design more effective, faculty-centric HR policies.

The findings can guide private MBA institutes in Navi Mumbai towards a more structured and development-oriented Performance Management System rather than a purely compliance-driven one.

## 4. RESEARCH GAP

Most existing studies on Performance Management Systems in higher education are either conceptual, based on secondary literature, or focus broadly on universities/engineering colleges rather than full-time MBA faculty specifically. Very few empirical studies examine, at a city or regional level, how individual dimensions of a Performance Management System, namely job satisfaction, performance appraisal, training & development and job/career opportunities, relate to one another among full-time MBA faculty in private institutes. This study attempts to fill that gap by empirically examining these relationships among full-time MBA faculty working in private institutes in Navi Mumbai.

### Figure 1: Performance Management System & Faculty Job Satisfaction Model

The conceptual model examined in this study treats Performance Appraisal, Training & Development, and Job/Career Opportunities as the key predictor dimensions of a Performance Management System, and Job Satisfaction of full-time MBA faculty as the outcome variable of interest.

## 5. AIMS & OBJECTIVES OF THE RESEARCH STUDY

Aims & objectives of the present study are as under:-

- To study the perception of full-time MBA faculty in private institutes in Navi Mumbai towards the key dimensions of the Performance Management System, namely Job Satisfaction, Performance Appraisal, Training & Development, and Job/Career Opportunities.
- To examine the relationship between Performance Appraisal and Job Satisfaction of full-time MBA faculty in private institutes in Navi Mumbai.
- To examine the relationship between Training & Development and Job Satisfaction of full-time MBA faculty in private institutes in Navi Mumbai.
- To examine the relationship between Job/Career Opportunities and Job Satisfaction of full-time MBA faculty in private institutes in Navi Mumbai.
- To develop a predictive framework of Performance Management System dimensions influencing faculty Job Satisfaction.

## 6. HYPOTHESES

The main hypotheses of the present study are as under:-

**H01:** There is no significant relationship between Performance Appraisal and Job Satisfaction of full-time MBA faculty in private institutes in Navi Mumbai.

**H02:** There is no significant relationship between Training & Development and Job Satisfaction of full-time MBA faculty in private institutes in Navi Mumbai.

**H03:** There is no significant relationship between Job/Career Opportunities and Job Satisfaction of full-time MBA faculty in private institutes in Navi Mumbai.

## 7. RESEARCH METHODOLOGY

### Sources of data

Data sources are classified as being either primary or secondary. In this study, the researcher has used primary data to analyse the results. The instrument used is a structured questionnaire developed on the basis of the literature review of the relevant dimensions of a Performance Management System.

### Survey design

The idea of a research design is to specify the methods and procedures for collecting and analysing the required

information. The survey was designed in a manner intended to increase the validity of the questionnaire and to maximise usable responses from full-time MBA faculty.

### Choosing an appropriate mode of response

The questionnaire was administered personally/online to full-time MBA faculty working in private institutes across Navi Mumbai. This enabled the researcher to collect completed responses within a reasonable time frame. Any doubts that respondents had regarding specific statements were clarified by the researcher, and respondents were free to seek further clarification wherever required.

The questionnaire consisted of 16 statements covering four dimensions of the Performance Management System, namely Job Satisfaction (4 items), Performance Appraisal (4 items), Training & Development (4 items) and Job/Career Opportunities (4 items). Responses to each statement were obtained on a five-point Likert scale, ranging from 1 'Strongly Disagree' to 5 'Strongly Agree'.

### Sample size

A total of 40 questionnaires were distributed among full-time MBA faculty working in private institutes in Navi Mumbai, of which 30 duly completed responses were received, making the response rate 75%, which was considered sufficient for the present analysis. The sample comprised full-time MBA faculty at the Assistant Professor, Associate Professor and Professor level, holding either an MBA or a Ph.D. qualification.

### Scale and measurement

The survey instrument consisted of two parts. In Part B, respondents were asked to state their level of agreement with each statement relating to the Performance Management System on a five-point scale (1 = 'strongly disagree' to 5 = 'strongly agree'; 3 denotes a neutral/average response). Following Cooper (2000), this type of scale is treated as an interval scale, and measures of central tendency and dispersion have accordingly been computed. Demographic details of respondents (qualification, age, gender, length of service and designation) were captured in Part A of the questionnaire and are of a nominal/ordinal scale.

### Scale Reliabilities

**Table 1: Reliability coefficients of the study variables**

| Multi-Item Measure            | No. of Items | Mean (Sum) | Cronbach's Alpha |
|-------------------------------|--------------|------------|------------------|
| Job Satisfaction (JS)         | 4            | 14.33      | .948             |
| Performance Appraisal (JA)    | 4            | 14.17      | -.363*           |
| Training & Development (TD)   | 4            | 14.37      | .943             |
| Job/Career Opportunities (JO) | 4            | 15.50      | -1.481*          |
| Overall Scale (all 16 items)  | 16           | 58.37      | .867             |

\*The Performance Appraisal and Job/Career Opportunities sub-scales showed weak internal consistency in the present sample. This is largely attributable to the modest sample size (N = 30) and limited response variance on certain items

(for example, all respondents rated one Job/Career Opportunities item identically). The overall 16-item scale, however, demonstrated good internal consistency (Cronbach's Alpha = 0.867), which is above the generally accepted threshold of 0.70.

### Statistical methods

#### Demographics frequency Table:

Demographics are shown in the demographics frequency table (see Table 2).

**Table 2: Demographics frequency Table (N = 30)**

| Demographic Factor | Description         | Frequency | Percentage |
|--------------------|---------------------|-----------|------------|
| Qualification      | MBA                 | 15        | 50.0%      |
|                    | Ph.D.               | 15        | 50.0%      |
| Gender             | Male                | 15        | 50.0%      |
|                    | Female              | 15        | 50.0%      |
| Age                | 25 - 30 Years       | 5         | 16.7%      |
|                    | 31 - 40 Years       | 9         | 30.0%      |
|                    | 41 - 50 Years       | 8         | 26.7%      |
|                    | Above 50 Years      | 8         | 26.7%      |
| Designation        | Assistant Professor | 9         | 30.0%      |
|                    | Associate Professor | 11        | 36.7%      |
|                    | Professor           | 10        | 33.3%      |
| Length of Service  | Up to 5 years       | 4         | 13.3%      |
|                    | 6 - 10 years        | 8         | 26.7%      |
|                    | 11 - 15 years       | 6         | 20.0%      |
|                    | Above 15 years      | 12        | 40.0%      |

The demographics were not used in the present study to establish their relationship with faculty job satisfaction; Table 2 is presented to give a better understanding of the composition of respondents. The sample is evenly split between MBA and Ph.D. qualified faculty, and between male and female faculty. The majority of respondents are between 31-40 years of age (30.0%), hold the designation of Associate Professor (36.7%) or Professor (33.3%), and have more than 15 years of service (40.0%), indicating a fairly senior and experienced full-time MBA faculty sample.

### Correlations

A correlation matrix was used to examine the relationship between the independent dimensions of the Performance Management System, namely Performance Appraisal (JA), Training & Development (TD), and Job/Career Opportunities (JO), and the dependent variable Job Satisfaction (JS).

**Table 3: Correlation Matrix**

|                               | JS      | JA      | TD      | JO     |
|-------------------------------|---------|---------|---------|--------|
| Job Satisfaction (JS)         | 1.000   | 0.568** | 0.997** | -0.111 |
| Performance Appraisal (JA)    | 0.568** | 1.000   | 0.543** | 0.447* |
| Training & Development (TD)   | 0.997** | 0.543** | 1.000   | -0.126 |
| Job/Career Opportunities (JO) | -0.111  | 0.447*  | -0.126  | 1.000  |

*\*\*Correlation is significant at the 0.01 level; \*Correlation is significant at the 0.05 level.*

### Discussion:

The correlation matrix reveals that Job Satisfaction (JS) is very strongly and positively related with Training & Development (TD) ( $r = 0.997$ ,  $p < .01$ ), and moderately related with Performance Appraisal (JA) ( $r = 0.568$ ,  $p < .01$ ). Job/Career Opportunities (JO), however, shows a weak and statistically non-significant negative correlation with Job Satisfaction ( $r = -0.111$ ,  $p > .05$ ). Performance Appraisal (JA) is also moderately correlated with Training & Development ( $r = 0.543$ ,  $p < .01$ ) and

weakly correlated with Job/Career Opportunities ( $r = 0.447$ ,  $p < .05$ ). These results suggest that, in this sample, faculty who perceive their institute's training and appraisal practices favourably also report higher job satisfaction, whereas perceived career/job opportunities are not strongly linked to how satisfied faculty currently feel in their role.

### Regression

A multiple regression analysis was performed with Job Satisfaction (JS) as the dependent variable and Performance Appraisal (JA), Training & Development (TD) and Job/Career Opportunities (JO) entered

simultaneously as independent variables, to determine the relative predictive power of each Performance Management System dimension.

**Table 4: Regression Model Summary**

| R     | R Square | Adjusted R Square | F      | Sig. |
|-------|----------|-------------------|--------|------|
| 0.998 | 0.996    | 0.995             | 1923.0 | .000 |

**Table 5: Regression Coefficients (Dependent Variable: Job Satisfaction)**

| Predictor                     | Unstandardised B | Std. Error | t      | Sig. |
|-------------------------------|------------------|------------|--------|------|
| (Constant)                    | -0.514           | 0.271      | -1.898 | .069 |
| Performance Appraisal (JA)    | 0.200            | 0.092      | 2.183  | .038 |
| Training & Development (TD)   | 0.983            | 0.018      | 54.154 | .000 |
| Job/Career Opportunities (JO) | -0.037           | 0.081      | -0.454 | .654 |

As Table 4 indicates, the overall regression model was statistically significant ( $F = 1923.0$ ,  $p = .000$ ), with the three Performance Management System dimensions together explaining 99.6% of the variance in faculty Job Satisfaction ( $R^2 = 0.996$ ) in this sample. Table 5 shows that Training & Development emerged as the strongest and most significant predictor of Job Satisfaction ( $\beta = 0.983$ ,  $p < .001$ ), followed by Performance Appraisal, which was also a significant predictor ( $\beta = 0.200$ ,  $p = .038$ ). Job/Career Opportunities was not found to be a statistically significant predictor of Job Satisfaction in this sample ( $\beta = -0.037$ ,  $p = .654$ ).

Accordingly, the null hypotheses H01 (no significant relationship between Performance Appraisal and Job Satisfaction) and H02 (no significant relationship between Training & Development and Job Satisfaction) are rejected, since both dimensions were found to be significant predictors. The null hypothesis H03 (no significant relationship between Job/Career Opportunities and Job Satisfaction) is not rejected, as no statistically significant relationship was found in the present sample. The following figure summarises the perceived strength of each Performance Management System dimension as a predictor of faculty Job Satisfaction: Training & Development shows the strongest positive influence, Performance Appraisal a moderate positive influence, and Job/Career Opportunities a negligible influence, in this sample of full-time MBA faculty in private institutes in Navi Mumbai.

## 8. CONCLUSIONS

It is evident from the regression analysis that Training & Development and Performance Appraisal are significant predictors of Job Satisfaction among full-time MBA faculty in private institutes in Navi Mumbai, together explaining a substantial proportion of the variation in Job Satisfaction observed in this sample. It is therefore suggested that private MBA institutes place structured training programmes, regular skill-development workshops, and a fair and transparent performance

appraisal process at the centre of their Performance Management System.

Job/Career Opportunities did not emerge as a significant predictor of Job Satisfaction in this sample, which may indicate that career growth avenues are currently perceived by faculty as broadly similar across the sample, or that other factors dominate faculty satisfaction more strongly at present. Institutes may still wish to review the transparency and communication of promotion and career-growth policies, since even a non-significant relationship in a small sample does not rule out its importance at a larger scale.

In this study it is clearly shown that there is a significant relationship between key Performance Management System dimensions, namely Training & Development and Performance Appraisal, and Job Satisfaction of full-time MBA faculty in private institutes in Navi Mumbai. To conclude, it can be stated that private MBA institutes that invest in structured faculty training and a fair appraisal process are likely to build a more satisfied and engaged full-time faculty body, which in turn can support better teaching quality, research output and institutional reputation. Institutes that neglect these dimensions of the Performance Management System may face lower faculty satisfaction and higher attrition over time.

This study is limited by its relatively small sample size ( $N = 30$ ) and its focus on a single city; the findings should therefore be interpreted as indicative rather than conclusive. Future research could extend this study to a larger sample of full-time MBA faculty across multiple cities, include additional Performance Management System dimensions, and adopt a longitudinal design to examine how these relationships evolve over time

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