



PERFORMANCE MANAGEMENT SYSTEM - A CASE STUDY

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ABSTRACT

Performance management is defined as the process by which organizations design systems that facilitate monitoring and developing employees performance on a continuous basis and encourage a favorable work environment. Performance management is the organization's whole system of managing its work force for optimum performance. Performance is the process of assessing progress toward achieving predetermined goals. Performance management is building on that process, adding the relevant communication and action on the progress achieved.

KEYWORDS: organizations design systems , Performance management , relevant communication.

INTRODUCTION:

Performance management is as process by which organizations design systems that facilitate monitoring and developing employee's performance on a continuous basis and encourage a favorable work environment. Performance management is an on-going process undertaken in partnership between employee and his supervisor that involves establishing clear expectations.

- Performance expectations
- Frequency of Performance Discussions
- Participation in Goal Setting
- Matching people to jobs that use their skills
- Importance of Teamwork & Group Performance
- Competence-based Promotions
- Career & Succession Planning
- Skill Level of Managers
- Perceived Fairness of Appraisal Process
- The essential job function the employee is expected to do.
- The employee's job contributes to the goals of the organization.
- The employee and superior work together
- Job performance

Performance management is an unending spiral, linking processes such as performance planning, managing performance throughout the year, taking stock of manage performance and potential, at the same time recognizing and rewarding success at the end of year.

Performance management is way of systematically managing all such people for innovation, goal focus, productivity and satisfaction; it is goal-congruent win-win plan. Its main aim is to ensure success for all manages and all task teams-who believe in its approach.

PERFORMANCE MANAGEMENT

The field of performance management can comprise two separate types of management. In one aspect of performance management, an analyst may view the performance of a company as a whole, and also evaluate the effectiveness of the managers and heads of companies in reaching goals. In another sense, performance management may be a system of evaluating employees to help them reach reasonable goals and thus ensure that the company performs better.

Performance management of individual employees differs. It generally includes the following: planning work, setting goals, offering feedback and reviews, offering opportunities to learn more in one's field, and rewarding employees who perform well.

Employee performance management works best when work is planned and goals are consistent. This may mean having a clear way to communicate regarding work expected at the moment and upcoming work. Planning also includes defining expectations of the employee.

Planning and setting goals in performance management also creates a system of predictable rewards for good performance, and consequences for poor performance. This way the employee can reasonably assume the consequences of work performance.

OBJECTIVES OF THE STUDY

- To know the effectiveness of the present performance appraisal system
- To find out the opinions of raters on performance appraisal system

METHODOLOGY

Data is the first hand information gathered directly from the employees of the organization. The method followed for collecting the data is survey approach and a questionnaire has been used for the purpose.

Sample

The sample size of the respondents is restricted to 40 employee performance management includes planning work and setting expectations, developing the capacity to perform, continuously monitoring performance, and evaluating it.

Planning (Setting Objectives)

Employees' performance involves establishing the standards or measures value system, ethics, and performance factors, which guide an employee's appraisal.

Doing (Competency Development)

Doing involves evaluating employee developmental needs that will help them strengthen their job-related skills and competencies, and prioritizing and developing a plan of action to achieve the set targets.

Checking (Continuous Monitoring)

Checking includes conducting ongoing reviews where employees' performance is quantitatively measured against the set standards to identify how well the employees are meeting the set goals. Thereafter, the quantitative data is used to derive performance rating during the appraisal period.

Acting (Performance Evaluation)

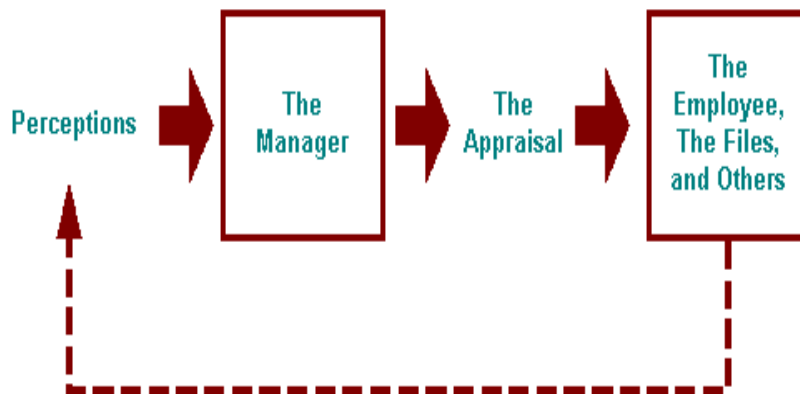
Acting includes evaluating job performance against the standards in the employee's performance plan and assigning a rating to the employee based on work performed during the entire appraisal period

PERFORMANCE APPRAISAL

Performance is synonymous with behavior it is what people actually do, and it can be observed. Performance includes those actions that are relevant to the organization's goals and can be measured in terms of each individual's proficiency to the organization.

Performance appraisal is a process of assessing, summarizing, and developing the work performance of an employee. It refers to all those procedures that are used to evaluate the personality, the performance, and the potential of its group members. Information relating to the performance of individuals in an organization is achieved through appraisal.

Appraisals are conducted keeping the following traits of the employee in mind: ability to delegate, ability to learn, personal habits, educational level, intelligence, quantity of work.



The most significant aspect of the structure depicted in the above figure is that the appraisal has as its primary input the perceptions of the manager. Technically speaking, they are the only input. Given this model, it is obvious that if the system is to work effectively the manager's perceptions must be objective, accurate, comprehensive, and free from any significant bias, distortion or undue influence.

COMMONLY USED METHODS

1. GRADING METHOD

Under this method, the rater considers certain features and marks them according to a scale. Certain categories of worth are first established and carefully defined. The selected features may be analytical ability, co-operativeness, dependability, self-expression, job knowledge, judgment, leadership, and organizing ability.

2. FIELD REVIEW METHOD

This method is used when there is reason to suspect rater bias, when some raters appear to be using higher standards than others, or when comparability of ratings is essential, essay or graphic ratings are often combined with a systematic review process.

3. CHECKLISTS

Under this method, the rater does not evaluate employee performance, he supplies reports about it and the personnel department does the final rating. A series of questions are presented concerning an employee to his behavior.

4. ESSAY APPRAISAL

This is the simplest form of appraisal, this technique asks the rater to write a paragraph or more covering an individual's strengths, weaknesses, potential, and so on. In most selection situations, particularly those involving professional, sales, or managerial positions, essay appraisals from former employers, teachers, or associates carry significant weight. The assumption seems to be that an honest and informed statement either by word of mouth or in writing- from someone who knows a man well, is fully as valid as more formal and more complicated methods.

5. ASSESSMENT CENTERS

This method is different from the most methods, since most of the methods talk about assessing past performance, without giving due consideration to the assessment of future performance or potential. In any placement decision and even more so in promotion decisions, some prediction of future performance is necessary.

One widely used rule of thumb is that *"what a man has done is the best predictor of what he will do in the future."*

Typically, individuals from different departments are brought together to spend two or three days working on individual and group assignments similar to the ones they will be handling if they are promoted. The pooled judgment of observers - sometimes derived by paired comparison or alternation ranking - leads to an order-of-merit ranking for each participant.

6. MANAGEMENT BY OBJECTIVES

Management by Objectives is far more than just an appraisal process. MBO requires the manager to get specific measurable goals with each employee.

PERFORMANCE MANAGEMENT PROCESS

- Performance management is continuous process that goes on throughout the year, with its three sub-systems, namely planning manage performance & development, monitoring manage performance & mentoring manage development.
- It is flexible- a manager and their manages, acting together, have sufficient ability to design their own processes within the overall framework for performance management provide by the organization to integrate its different task groups into a synergistic whole that is working to achieve the same, ultimate organizational goals.
- Performance management is future-oriented, rather than retroactive. Even the appraising process.
- It is participatory and provides for regular and frequent dialogues between mangers and manages-both.
- Performance management aims at measuring manages delivered performance against their planned performance, the targets, standards and performance measures.
- Performance management is blatantly developmental and concerns itself vigorously with manages personal attributes and behavior as critical inputs to the performance process knowledge, skills and competencies relevant to her assigned role and performance expectations.
- It provides a framework in which managers must support manages to succeed, and to win.

Performance management system is driven by Specific, Measurable, Achievable, Result oriented and Time bound (SMART) principles. This system helps employees develop greater self-awareness, role clarity, and provides them with the opportunity to plan developmental needs using organizational resources.

ANALYSIS**Table 1: Different Performance Appraisal Methods**

S.No.	Appraisal methods	No. of Respondents	Percentage %
1.	Graphic Rating Scales	10	25
2.	M B O	20	50
3.	Check List Method	2	5
4.	Any other	8	20
	Total	40	100

From Table-1, it can be concluded that, 50% of the respondents have expressed that 'M B O' is the most popular method, while 25% of the respondents have expressed 'Graphic Rating Scales' as the second best method. It can be also observed from the above table that the 'Check List' method is not very much popular, a very few people (2 only) have expressed 'Checklist' method.

Table 2: Purpose of Performance Appraisal

S.No.	Purpose	No. of Respondents	Percentage%
1	To evaluate current performance	20	50
2	To discover potential for development	10	25
3	Any other	10	25
	Total	40	100

From Table-2, it can be concluded that 50% of respondents have expressed that the purpose of Performance Appraisal is "to evaluate current performance", while nearly 25% of respondents have said "to discover potential for development".

Table 3: Frequency of Conducting Performance Appraisal

S.No.	Mode	No. of Respondents	Percentage
1	Annuals	21	52.5
2	Half yearly	6	15
3	Quarterly	10	25
4	Monthly	3	7.5
	Total	40	100

From Table-3, it can be shown that 52.5% of the respondents are expressed that, the frequency of conducting performance appraisal is 'annual'. And 25% of the respondents stated that, the frequency of conducting performance appraisal is 'quarterly'.

Table 4: Consequences of Performance Appraisal

S.No.	Consequences	No. of Respondents	Percentage
1	Wage/salary rise	30	75%
2	Wage/salary cut	0	0%
3	Any other	10	25%
	Total	40	100

From Table-4, it can be concluded that 75% of the respondents have stated that there is a wage/salary rise after most of the performance appraisals whereas; only 25% of the respondents have stated 'Any other'.

Table 5: Performance Appraisal System

S.NO	Particulars	No of respondents	Percentage
1	It encouraged	8	20
2	It motivates	10	25
3	It penalizes the inefficiency	0	0
4	It encourages and it motivates	22	55
	Total	40	100

From Table-5, it can be understood that, 55% of the respondents have stated that they like their performance appraisal system because it encouraged and it motivated them. And 25% of the respondents stated that the performance appraisal system motivates them only.

FINDINGS

- There is domination of male respondents in numbers.
- "MBO" has become the most popular method for performance appraisal
- "To discover potential for development and growth" of employees.
- There is wage/salary augment after every performance appraisal
- Get monetary rewards or benefits after their performance appraisal.
- "It motivates and encourages them to achieve their predetermined goals."

CONCLUSION

- The performance review must be done every quarterly so that employees can be much aware of their performance and hence they can improve their skills and perform the better job, which will result in more productivity.
- Performance management system is done manually which is time consuming and long process so I suggest for on-line performance management system to be implemented which can quickly resolve performance issue before they start becoming serious business problem.

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