
A Study on Performance Management System

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ABSTRACT:

Human Resource Management plays very important role for the success of any organization. Human assets are the most valued resource now a day for any organization and is important resource for competitive advantage. The functions which are undertaken by human resource are human resource planning, recruitment & selection, induction, job analysis, training & development, compensation, performance management, industrial relation. Out of these activities performance management system is very crucial & significant, the reason behind it is motivation & satisfaction derived from job. This paper aims to understand the perception of employees in respect of performance management system & to gauge out its effectiveness. Performance management is a wider concept which includes goal setting, performance appraisal, feedback, counseling, reward and training.

Keyword: Performance. Performance Management System, evaluation

INTRODUCTION

Performance Management is

“A process for establishing a shared understanding about what is to be achieved and how it is to be achieved, and an approach to managing people that increases the probability of achieving success” Weiss and Hartle (1997) .

Performance management system is a consolidated tool to enhances the profitability of the organization by

- ✓ Clearly defining the objective to employees
- ✓ Providing all the necessary support to encourage the performance of workforce
- ✓ Communicating the feedback on their performance
- ✓ Achieving organizational as well as individual objective

Performance management system is both strategic & integrated approach, strategic approach creates goal congruence among individual & organizational objective while it integrates HR functions 7 individual needs.

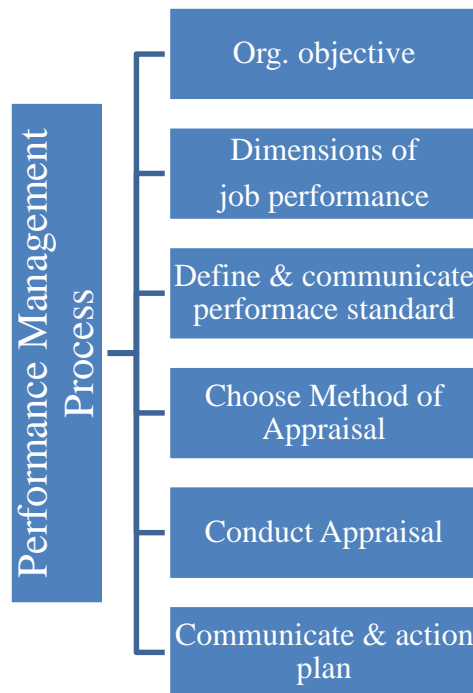
Performance management system objective is to –

- Identifying the barriers to effective performance and resolving those barriers through constant monitoring, coaching and development interventions.
- Creating a basis for several administrative decisions strategic planning, succession planning, promotions and performance based payment.
- Promoting personal growth and advancement in the career of the employees by helping them in acquiring the desired knowledge and skills.

Basically performance management system was started by defense services to motivate their employees to face stressful & difficult situation. Gradually it stated getting its pace and officially in 1960 it was known as “Annual confidential Report” (ACR), though it has flaws like not disclosing the result to their employees, people does not had the chance to improve their performance. Slowly companies like Larsen & Toubro, followed by State Bank of India and many others does some reform in this field & started on planning , review & development of employees, later on it has officially known as Performance appraisal and so on performance management system.

PROCESS OF PERFORMANCE MANAGEMENT SYSTEM

The process of PMS start with defining the organizational objective followed by understanding the requirement and parameters of jobs



Once the criteria is set for all the jobs, it is communicated clearly to the job holders, helping them to understand their job properly, then top management finalizes the method of appraisal which need to be selected strategically , to serve the individual as well as organizational objective. After that top management conduct a meeting with all appraisers to discuss about the performance management system and its requirement. Once the entire process is done feedbacks of the appraisals is communicating to the employees and as far as possible company make a action plan to overcome the deviation and to improve the performance of its employees.

OBJECTIVE OF THE STUDY:

-) To understand the concept of Performance Management System
-) To gauge out the perception of employees regarding Performance Management System

METHODOLOGY AND DATA BASE:

- a) The descriptive methodology has been used to collect data
- b) Primary and secondary data has been used for data collection.
- c) Secondary data has been collected from various published sources and websites.
- d) The research is also supported by reference to various books, business magazines and journals of management and business.

RESEARCH METHODOLOGY

Research Design

What is the study about

Study is about defining Performance management system.

Why is the study being made

Performance management system is critical for talent management. PMS is critical in strengthening employer expectations. Study being made to identify how strong PMS impacts key HR processes.

Where will the study be carried out

This study is carried out at Grauer& Weil, Anchor, Prestress Wire Industries situated at DNH

What type of data is required:

This study will require primary data and secondary data. Data collection will done by designing appropriate questionnaire and conducting structured interviews.

TYPES OF DATA COLLECTION:-

Primary Data: "Primary data is that which is collected fresh and for the first time primary data is also called basic data or Original data."

- ✓ Through Questionnaire.
- ✓ Secondary Data: "Secondary data means data that which has been used previously for any research & now is use or the second time."
- ✓ Through Website
- ✓ Sample Size: - 50
- ✓ Analysis Technique: - Random Sampling and Questionnaire technique selected by researcher to collect the data from the respondent.

LITERATE REVIEW –

Alan Jenkins in his paper “Performance Appraisal Research: A Critical Review of Work on the Social Context & Politics of Appraisal” .attempts to bring together variety of literatures to point out strength & weakness of performance appraisal. PA system & paradigm changes over its diversity in three empirical tendencies-workers individualization, public sector management reforms & private sector appraisal intensification.

D B Bagul, Director RJSPM Institute of Computer & Management Research, Alandi Pune on the topic “A Study on Employee Performance Management System” published in scholarly research journal for humanity science & English language ISSN- 2348-3083.

Research deals with Performance appraisal of Larsen & Toubro. L & T implement robust system of PMS. The appraiser and appraisee expectation from Performance appraisal system are the same i.e. "Determination of Promotion or Transfer" and "Salary Administration and Benefits". Hence a single performance appraisal system can satisfy needs of both the Appraiser and appraisee. Therefore the Performance appraisal program would be designed in such a way that the appraiser would be able to analyze the contribution of the employee to the organization periodically and all the employees who have been performing well would be rewarded suitably either by an increase in the salary or a promotion. Through this the appraiser can also motivate the employees who felt that they had no growth in the organization and serves the purpose of employee development. Thus performance appraisals can be used as a significant tool

Performance Management: A Model and Research Agenda by Deanne N. den Hartog,* Paul Boselie and Jaap Paauwe Erasmus University Rotterdam, The Netherlands presents a model for performance management combining insights from strategic HRM and work and Organisational psychology. This paper has developed a model for linking HR strategy & practice with the financial gain of the organization.

Analysis of data-

The data has been collected and analyzed to draw inferences.

Figure I highlights communication and support provided by organization towards PMS

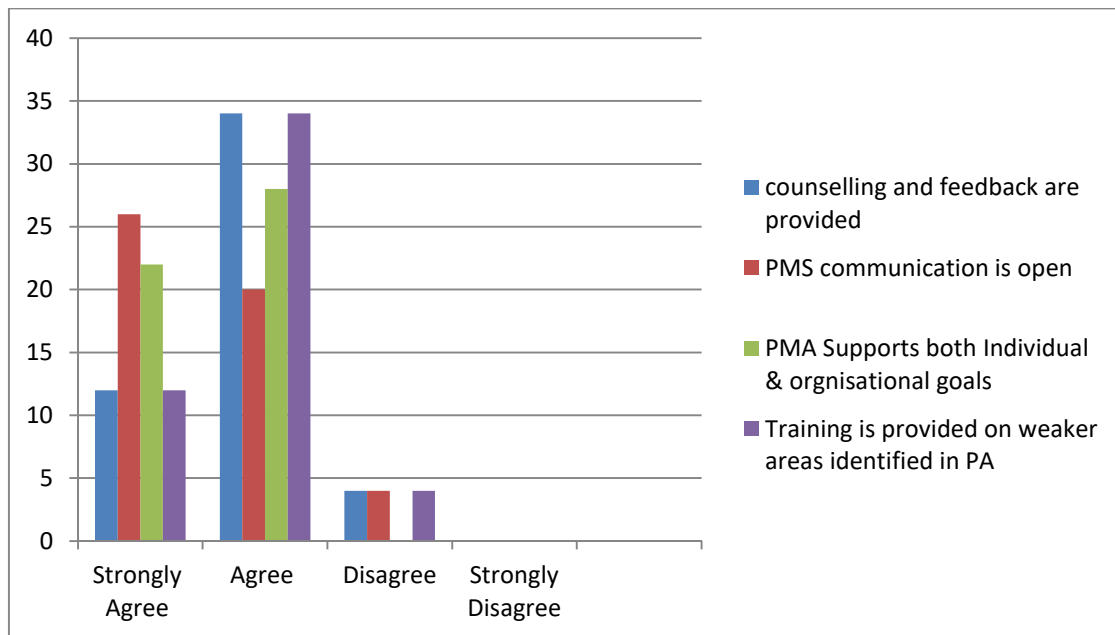


Figure I

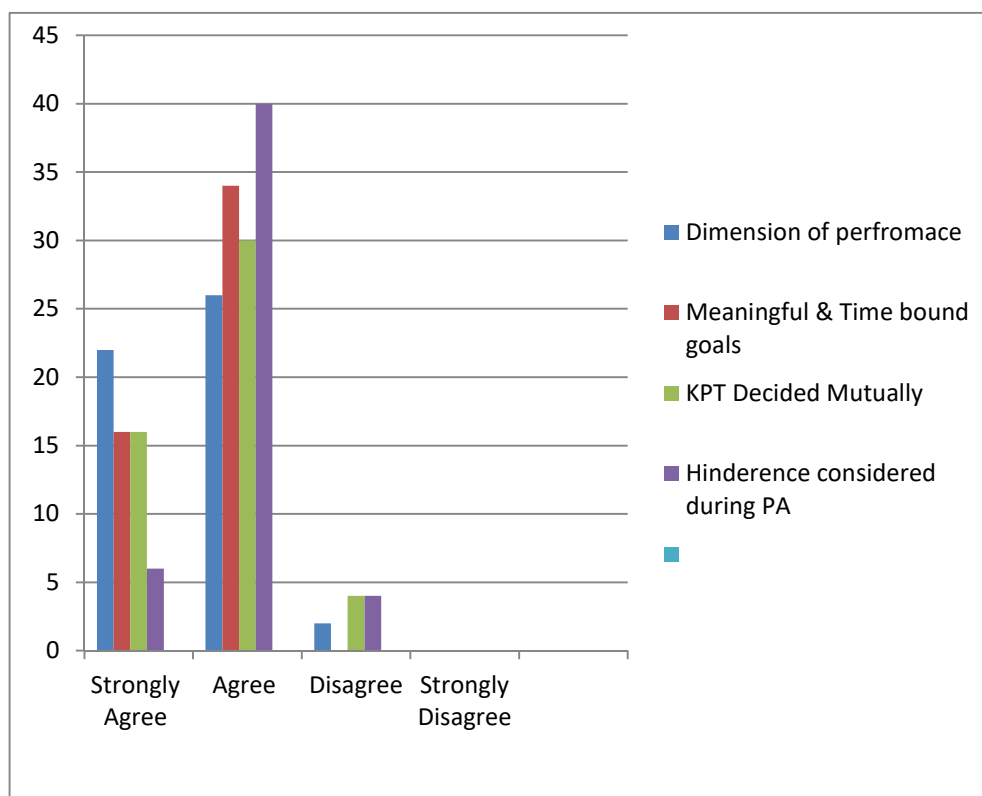


Figure II

Figure II Depicts the understanding about performance management objects and hindrances addressed by respective organizations.

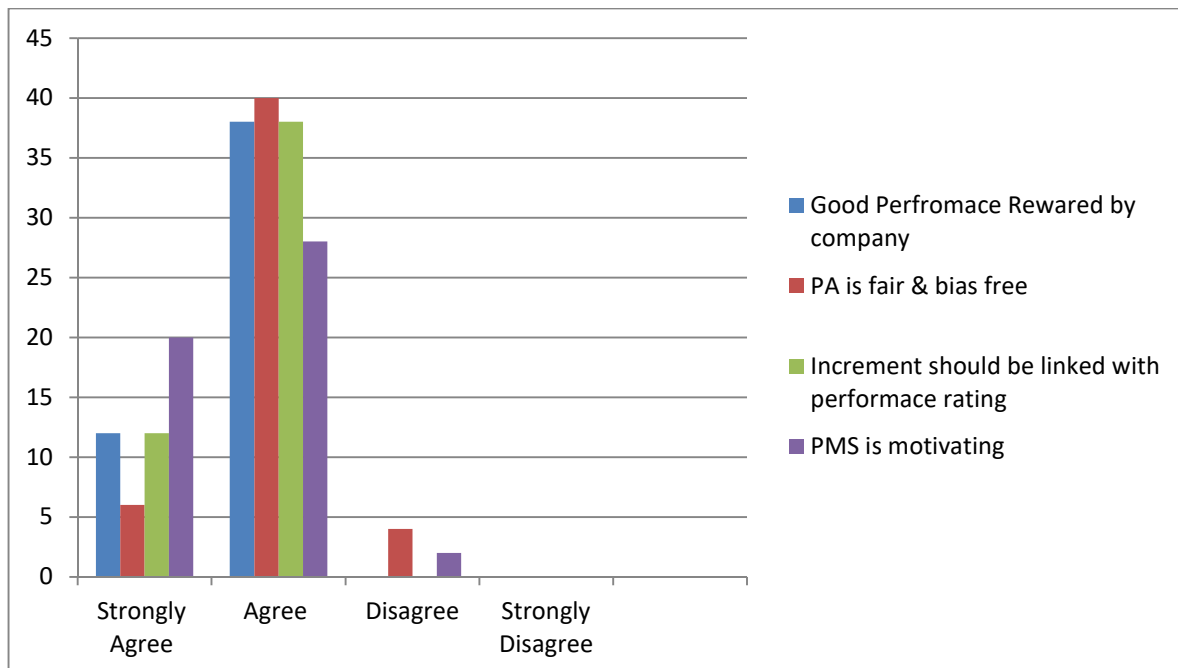


Figure III gauge the view of respondent regarding PMS implementation in the company whether it is motivation or not?

FINDINGS:-

1. Finding is on the base of data collection and interpretation present in the Data Analysis
2. Majority of the respondent are satisfied by the way dimensions and objective has been designed by the supervisors.
3. Respondents feel that increment should be linked with performance rating
4. Respondents has dissatisfaction towards not getting proper feedback and counseling after performance appraisal
5. Few respondents think PMS communication is not open
6. Training has been provided on weaker areas identifies during performance appraisal

SUGGESTION & RECOMMENDATION:-

For creating a vibrant workplace that attracts, retains, and promotes talented employees and at the same time discourages non-performance organization need to have:

1. Performance Appraisal should be a tool for promotion and training of the employees.
2. Carving of the proper objectives for Performance Appraisal
4. Company should be conducting P.A. quarterly in a year. Training should be given on the basis of P.A.
5. Company should implement the self-appraisal.
6. Transparency should be maintained in performance appraisal.
7. Company should maintain communication between management and employee's.

The author has recommended a model for Performance Management System



Conclusion: -

The contemporary organizations are undergoing a transformation for coping against the changing needs of the environment and excelling in the business by building up their adaptive capabilities for managing change proactively. The traditional performance appraisal system did not suffice the needs of the changing scenario as it was mainly used as a tool for employee evaluation in which the managers were impelled to make subjective judgments about the performance and behavior of the employees against the predetermined job standards. Performance management is a much broader term in comparison with performance appraisal as it deals with a gamut of activities which performance appraisals never deal with. This system is a strategic and an integrated approach which aims at building successful organizations by developing high performance teams and individuals and improving the performance of people. This process starts when a job is defined. Performance management emphasizes on front end planning instead of looking backward unlike performance appraisals and the focus is on ongoing dialogue instead of appraisal documents and ratings. Thus, performance management may be regarded as a continuous process.

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