

Impact of performance management on employee success

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Abstract

Performance management system concept have been implemented differently by organization to organization. But the main aim of implementing performance management system in organization is to strengthen organization performance by improving individual performance. The paper highlights meaning of performance appraisal and the process of implementing it in an organization. It highlights views of HR managers how they will implement the performance management system in an organization and how it will affect the organization as well as employees success.

Keywords: organization performance, organization success, training and development, employees rewards

Introduction

Performance level of an individual leads to better organization performance. The first investigation into performance management carried out by the institute of personal management in 1991 concluded that performance management was about making sure managers manage properly – they clearly and consistently communicate to their staff, ask them for their expectation and provide them means to meet their expectation. The article includes meaning and definition of performance management, its process, and the concepts like performance management and human capital, performance management and reward, PM and development. How to manage organization performance.

What is Performance Management?

Performance Management is a structured visual approach to monitoring the business performance, highlighting issues & reacting to them in a timely manner.

Performance management can be defined as a systematic process for improving organizational performance by developing the performance of individuals and teams. It is to get better results from the organization, teams and individual. Performance management is: ‘The development of individuals with competence and commitment, working towards the achievement of shared meaningful objectives within an organisation which supports and encourages their achievement’ (Lockett, 1).

‘Performance management is managing the business’ (Mohrman and Mohrman, 2).

Performance management is: the process of ‘Directing and supporting employees to work as effectively and efficiently as possible in line with the needs of the organization’ (Walters, 3).

‘Performance management is a strategic and integrated approach to delivering sustained success to organisations by improving the performance of the people who work in them and by developing the capabilities of teams and individual contributors’ (Armstrong and Baron, 4).

Performance management process

Performance management system should be flexible. This process is applied by the managers according with the circumstances and requirement of the organization. Performance management is not only mentoring of the employees but also the actions which are created by management. The starting places of performance management process consist of two components. Collecting information and data and educating staff. The performance management system link individual performance and organizational success. To gather type of information and documentation that is helpful in aligning individual performance with organizational goals and objectives includes the following.

- The strategic plan of the organization.
- Job descriptions of each employee
- Performance appraisal for each employee for the previous year

Employees need to understand what performance management is for. How it is going to work, what to expect and what will be expected to them. It is necessary for the employees to understand, why performance management is important, how it will benefit to the employees, managers and organizations.

Performance management process also includes points like

1. Performance planning
2. Day-to-day coaching and feedback
3. Quarterly performance check-in
4. Formal performance review

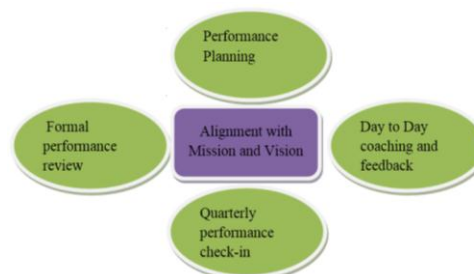


Fig 1

i) Performance Planning

Performance management helps people to get work done. It is mainly focus on what to be done, how to be done and what to achieve. It equally important for developing people, helping them to learn and proving them support to do their work in well. Performance and development planning are jointly carried out by the managers and individual. Performance planning is dialogue between a supervisor and employee to:

- Establish and agree upon performance expectations,
- Clarify what the employee will be evaluated on, and
- Set the stage for ongoing feedback and coaching throughout the year.

The result of performance planning are, employees and organization goal can be aligned and employee understand his/her responsibility for the organization. Responsibility is modified, willing of work by managers and employees for any task, how success will be measured and it can also be define what assignment is most and least important.

ii) Day to day coaching and feedback

Day to day coaching is process of communication between managers and employees, main aim behind this is to improve performance of individual as well as organization. Hear supervisor and employee work to gather and share problems, find out solution. Coaching includes observing performance, providing instructions, directing employees efforts, providing motivation, modifying unmarked performance, highlighting excellent performance, taking view of employees, removing obstacle to performance.

Getting feedback helps employees to know they work correctly and other satisfy with their work, improvement required at a particular place. Feedback includes self evaluation, feedback from supervisor, feedback from peers, customer feedback and work environment survey. Feedback helps to find out grate as well as poor performance of the employees, identify performance problems, find out factors behind excellent performance, feed also provide evidence of employees performance.

iii) Quarterly performance check-in and performance review

This is an important component of entire performance management process. It is a discussion between employees and supervisor regarding where performance is satisfactory, where it is met or fell down. Where more learning is required, objective that were set and achieved by the employee, performance review successes when supervisor takes the role of problem solver, employees actively involved in realistic and self evaluation, efficient interpersonal skill between employees and supervisor, review meeting can be treated as an important and not to be postponed, employees take performance review not as punishment but the improvement.

Formal performance review includes strength and success as well as areas need to improve, discussion on rating for each performance indicator, provide rational for each rating, invite employees to listen his/ her performance, ask them to share their feedback,

Objectives

1. to find out performance management system in an organization,
2. To find out employees performance level,

3. training and development need of the employee
4. decide rewards and compensation of the employee
5. Effect of performance management in employee success.

Research method

Data have been collected with the help of interviewing HR manager with the help of pre define questionnaire. Secondary data have been collected from the published literature. Data have been analyzed with help of percentage method and presented in graph.

Data Analysis

- **Objective 1:** To find out performance management system in an organization

When it is asked that does their organization have performance management system?

Out of 20 HR manager's response received from 15. From 15 HR members 12 of them are having performance management policy in their organization.

At the same time it is asked to them these performance management policy apply to. It is found that these policy is applied from clerical level employees to senior managers. This policy does not implemented to the ground level employees i.e. peon, security staff, housekeeping staff etc.

- **Objective 2:** To find out employees performance level

When I asked HR managers, how would they find out employees performance level a unique answer is by implementing performance appraisal system. 80% HR manager answer that performance appraisal of the employees at regular interval help them to measure employees performance level. Employees were judge accordingly and appreciated for their better performance and motivated them in different ways for continuous better performance.

- **Objective 3:** Training and development need of the employee

Training and development of the employees is an importance aspect for the HR managers to improve organizations efficiency. After employees performance appraisal feedback, better employees are motivated and poor performance employees are given proper training for their better performance in the future. So 85% HR manager believes that training to the employees is important aspect for better function of the organization and for better result.

- **Objective 4:** Decide rewards and compensation of the employee

Around 65% HR managers believe that performance appraisal system help them to decide rewards of the employees but other also argued that they are having policy of yearly increment, employees experience is also another criteria to decide rewards. So this point have mixed viewed it is beneficial to some extent.

- **Objective 5:** Effect of performance management in employee success.

HR manager give positive response on effect of performance management in employees success. They said that there is high effect off performance management system on employees performance because a employees who perform well are awarded with best employees of the year, they are given proper hike in their reward so that employees are motivated to perform well in the

organization so it ultimately leads to the organization success as well as employees successes.

Conclusion

From the above analysis it is concluded that implementing performance appraisal system in an organization is very important. Performance appraisal system includes performance planning, day-to-day coaching and feedback, quarterly performance check-in, formal performance review. After analyzing collected data it is found that every organization is implementing performance management system for the reasons like finding out employees performance, need of training and development. Successful implementation of performance appraisal system leads to organization success as well as employee success.

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