

PERFORMANCE MANAGEMENT SUBJECT AREA: HUMAN RESOURCE

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ABSTRACT: *The study on Performance management is undertaken to find out the importance of performance management and its scope which includes processes that effectively communicate company aligned goals, evaluate performance and reward them fairly. This helps to suggest various performance management practices like clear goal planning, skill development and a true pay for performance culture that successful companies use to demonstrate their employees are valued. Effective performance metrics has been proven to increase employee morale and overall productivity. It also analyses mentoring workforce through rewards that makes the employees feel good and they are motivated to move towards the management objectives. It comprises information about 360 degree feedback programs and how it brings effective changes in performance management. Here the potential feature and strategies for performance management is also analyzed. Thus it concludes the concept saying that specific training and HR programs with effective rewards enhances performance of employees which leads them achieve their organizational goal.*

PERFORMANCE MANAGEMENT

I. INTRODUCTION

Performance appraisal have been increasingly implemented by most modern organization as a tool for employee assessment. Human Resource (HR) experts believe that a performance appraisal system helps to build a high-performance workplace recognizing and encouraging noteworthy efforts by limiting poor performance.

Implementation of Performance Management System Communication

It has been observed that the involvement of a senior executive advocating, auditing, training, and participating in monthly review meetings is essential.

Accountability

PMS becomes effective when the organization is able to define its priorities clearly and when the senior executives team establishes measures and transfers accountabilities to lower levels.

Skill

The employees skills have to be shaped in line with the expectations of the organization. Employees need to be committed to the extent that they develop performance plans and lead the performance review discussions.

Competencies

Identification of competencies that are necessary for success in specific jobs is important. These competencies can be used while hiring people.

Provide Clear Measures

It is important to identify the outcomes that the organization wants to achieve and means to measure it. To begin with, monitoring compliance may serve the purpose. Once the system becomes a part of the culture at the workplace, the evaluation process enhances the quality of the system.

Performance Management: New Issues

Performance Management indicates that the engagement level of the employees with the organizational mission and goals is source of motivation.

Balaji and Supriya (2006) define performance management as positive attitude held by the employee towards the organization and its values.

The extent to which people want to enhance the outcome of a particular business is indicated by commitment.

The production cost and sales cost goes down with increase in the level of engagement.

The Modern Firm: Organizational Design for Performance and Growth

Companies around the world are putting in place new organizational designs and changing their architecture, processes and cultures to improve their performance and growth prospects. It has relationships among the changes that will improve performance and growth. It also helps in developing powerful conceptual frameworks for analyzing the interrelationships between organization design features, competitive strategy and the business environment.

Achieving high performance in business results from establishing and maintaining a balance among three elements the strategy of the firms, the organizational design and the environment in which it operates. A well-formulated strategy involves a goal maybe profit or maximizing shareholder's wealth against which the firm can measure itself and judge its success. A key element is the statement of scope that specifics of the business in which the firm is and what customers and market segment it serves.

II. MOTIVATION IN MODERN FIRMS

There is a need to motivate employees of an organization because their self-interest cannot automatically lead them to act in the interest of the organization. One reason for this, is that all individuals in the organization do not share the costs and benefits equally.

What makes an Organization Effective?

- Work group members share a common set of goals
- Work group members embrace consistent standards of effectiveness
- Work group members share common values of service, quality, and excellence
- Work groups are committed to meet the needs of customers
- Work groups continually improve practices, productivity, and effectiveness
- Work groups do not wait for complaints before tackling new problems
- Work groups perceive themselves as "efficient and productive."

Can High Performance Teams Emerge Without Supervision?

A popular management belief suggests that teams, provided with appropriate resources and empowered by the authority to solve problems as needed to pursue an understood mission, can develop effective patterns with little supervisory influence. This view is as "the organization of the future" by proponents who extol its value for enterprises that must meet rapidly changing market demands through teamwork, collaboration, and information sharing. However, the Irvine Performance Improvement Model demonstrates the foundational role of supervision in enabling teamwork, collaboration, and information sharing, since particular management behaviors directly foster workplace respect the necessary prerequisite to these patterns of workplace cooperation. However a self directed work group could develop values and behaviors consistent with the Workplace Respect construct.

Sustainable Performance Improvement

Sustainable performance improvement requires an empirically validated model that is:

- ❖ Simple, understandable, and memorable, so that managers and employees who want to improve performance can adopt consistent, normative behaviors;
- ❖ Internally coherent, avoiding mixed messages that might trigger a retreat back to the comfort of prior behavior patterns;
- ❖ Compatible with other belief, value, and reward systems of both the formal and informal organization (notably, the human resources system); and
- ❖ Capable of providing clear information about behaviors that can be improved through measurement, feedback, and learning.
- ❖ The Irvine Performance Improvement Model demonstrates that particular management and leadership behaviors that are as follows.
- ❖ Normative.
- ❖ Measurable.
- ❖ Understandable.
- ❖ Attainable

III. MENTORING WORKFORCE THROUGH REWARDS

The mentoring process can be formal or informal, but should be able to establish an effective relationship between the organization and employees in such a way that the benefits can be reaped by both the parties in an equitable proportion. Monetary and non-monetary rewards could effectively play the role of mentoring the employees.

Rewards as a Retention Strategy

The rewards package can be molded as a retention strategy only when it is done in three steps. The first is recognizing and compensating the individual's achievements with a good pay like, bonuses and special incentives. The second step is to identify the group's performance towards achieving stipulated objectives. The third element is to measure the organization's performance as a whole towards making business profits leading to value addition. This can be compensated in the form of shares and stock options.

360 Degree Feedback:

What to Expect from it?

- ❖ 360-Degree Feedback interferes with teamwork (yes, it could be focuses on the individual, but with a carefully designed tool, this can be contained).
- ❖ It takes too much time.
- ❖ It can create high stress.
- ❖ Lack of role models hampers use of 360-Degree Feedback.
- ❖ When there are no consequences for poor performance, people show change immediately but don't sustain.
- ❖ Top management is often not committed.
- ❖ 360-Degree Feedback is HR-driven and not line-driven.
- ❖ Often, there are abstract ratings of competencies.

To get the best of 360-Degree Feedback, they suggest the following:

- Keep it simple.
- Create an open culture.
- Train people.

They suggest 12 best practices to get the best out of multi-source feedback;

1. Focus on business goals and strategy.
2. Use it for development and not for pay.
3. Keep it short, simple and to the point.
4. Give the line employees a voice in designing and implementing the 360-Degree Feedback.
5. Create role models.
6. Develop the art of giving and receiving feedback.
7. Enforce consequences of continued poor performance.
8. Use it to celebrate good performance.
9. Insist on an action plan after 360-Degree Feedback.
10. Make coaching by leaders a part of it.
11. Make follow-up a part.
12. Monitor, improve, and make adjustments.

E-Learning Systems and Team Performance Application of E-Learning Systems

1. Announcements:

Excellent for communicating with teams by posting relevant topics, meeting dates, news, assignment changes, project due dates and so on.

2. Team Leader and Member Background Information:

The e-learning system allows posting of biographical information of team members such as their position, experience, education, training, team and project role, photographs or other items that people on the team may want to know.

3. Team Information:

This area can be useful for organization teams to post information about the team, such as the mission statement, goals, the committee, time and meeting schedule, calendar of events, and so on.

4. Team Documents:

The documents section is useful for important short or long documents, worksheets, and other file types relating to the work of the team.

5. Assignments:

Team leaders can assign team sub-groups and individuals with assignments in this area, as well as the general team assignments.

6. Communication Features:

The e-learning systems have a good selection of communication options for organization teams, including e-mail, discussion boards, and virtual "classroom"

- ✓ The e-mail system usually allows individual selection of members or "the option to send a message to the entire team with one message.
- ✓ The discussion boards feature is probably the most interesting and useful option in using e-learning systems for team management.
- ✓ This means that members are not locked into a specific meeting time, yet they can participate fully in the ongoing discussions online.
- ✓ A virtual "classroom" is an online workspace that requires the team members to be online for a meeting at the same time to participate in a live discussion.
- ✓ The virtual classrooms in the e-learning systems available today often have a "whiteboard" feature that allows the members to draft documents, sketches, and diagrams for everyone to see and work with.

7. External Links:

These can be useful for team leaders and members to post links to resources on the Internet that may be particularly useful to the team.

8. Assessment:

Since the e-learning systems were originally designed for education, there are some features available that team leaders can use to track individual and group performance.

- ✓ Other useful statistics that report system usage by team members include:
- ✓ Total number of accesses per course area;
- ✓ Number of accesses over time;
- ✓ User accesses by hour of the day; and
- ✓ Total accesses by user.

10. Tasks, Calendars, Project Schedules, and Other Tools:

These features facilitate workflow and team management.

Setting New Objectives

1. Increase the value of selling time.
2. Increase customer retention.
3. Increase new product market share penetration.
4. Sell the most profitable services and/or products.
5. Win the war for sales force talent.
6. Organize the sales function for efficiency and effectiveness.
7. Reduce the time to learn required competencies.

Three Keys to Changing Behavior

1. Ability

Improving sales professionals abilities means not only enhancing their knowledge, but also their skills.

Knowledge is familiarity with a subject gained through study or experience in a business setting, there are three types of crucial knowledge.

2. Customer-related:

Do they know to whom the company is selling or should sell, what those individuals or businesses need and how the company's products and services meet those needs?

3. Motivation

Motivation is the second critical aspect of transforming the sales force-and, in many ways, the most difficult. An individual can possess the requisite knowledge and skills, yet fail to make a positive contribution due to a lack of motivation.

Context

The context in which salespeople do their jobs has a high degree influence on the effectiveness of the overall workforce. By "context", we mean the tangible and intangible aspects of the company that facilitate or salespeople's interaction with one another and the flow of work across the sales function.

Essential contextual capabilities include new or enhanced processes for managing sales leads, account planning, forecasting, territory alignment and so on.

IV. CONCLUSION

Performance appraisal have been increasingly implemented by most modern organization as a tool for employee assessment. Recent research indicates that the engagement level of the employees with the organizational mission and goals is source of motivation. Thus specific training and HR programs with effective rewards enhance performance of employees which leads them to achieve their organizational goal.