A Study on Performance Management as Human Resource Tool

Dr. Anita R Natekar[1], Mrs. Umadevi S Muttagi[2]

[1]Asst Professor, Dept, of Management, Akkamahadevi Women's University, Vijayapura
[2]Research Scholar, Akkamahadevi Women's University, Vijayapura

ABSTRACT

Performance management is a holistic process bringing together many of the elements which go to make up the successful practice of people management, including in particular learning and development. But for this very reason, it is complex and capable of being misunderstood 'Performance management is not achievable unless there are effective processes of continuous development. This addresses the core competencies of the organization and the capabilities of individuals and teams. 'Performance management' should really be called 'performance and development management. Performance appraisal is one element of performance management which involves different measurements throughout the organization. Performance appraisal is the most important if the organizations are to take the advantage of their most important asset, employees, and gain human capital advantage.

Key word: performance, Organization, HRM

INTRODUCTION

There is evidence in the history of performance appraisal that suggests formal performance appraisal began to appear and used in the evaluation of work performance as early as in the 20th century from the time of the First World War initiated by American rather than a British phenomenon (Fletcher and Williams,1992). Initially, in the US, organisation used performance appraisal as a measure to raise morale of the workforce, the assumption being that high morale led to high productivity – a motionre inforced by Hawthorne studies in 1920s. But the introduction of performance appraisal in the 1920s and 1930s was limited mainly to managers and how to identify those amongst them who had potential for development. In the 1950s the potential usefulness of appraisal as tool for motivation and development was gradually recognized and the number of companies using performance appraisal programs has risen since then

The following decade saw a number of more specific development and an even greater shift towards openness and participation in appraisal, reflecting changes in society as a whole. Belief about the nature of human abilities, theories of motivation, trade union concerns, government legislation and changing social attitudes have all influenced and modified performance appraisal process (Fletcher and Williams, 1992). During the 1990's the evident difficulties of assessment and appraisal as isolated activities resulted in growing shift in performance management and the need to link the requirement of business strategy to all employees (Fletcher and William, 1992). Hence the performance measurement system like Balanced Score Card (BSC) introduced by Norton D.P and Kaplan R.S. (1992) come to fore and becoming popular and used by many large organizations globally to measure the overall extensive performance of a company including performance appraisal.

Approaches to Performance Appraisal

There are two approaches to performance appraisal viz. administrative approach and developmental approach.

1. **Administrative approach:** Making and carrying out employment decisions are the fundamental goals of the administrative decision making. Administrative decisions include deciding which employees to promote, which to terminate, which to discipline, which employees to transfer etc. In administrative approach, performance appraisal can be used as a key input for administering a formal organisation reward and punishment system.

Administrative approach deals with the following:

- Human resource planning
- Reward decisions e.g. salary and wages increase
- Promotions; and
- Personnel research (e.g. effectiveness of training programmes.)

2. **Developmental approach:** When performance appraisal information is intended to be used for developmental purposes, employees receive concrete feedback about their job performance. This serves a valuable function because in order to improve in the future, employees need to know what their weaknesses were in the past and how to correct them. This also enables managers to identify which employees would receive the most benefit from developmental inputs. Pointing out strengths and weaknesses is a counseling function for the manager, while receiving meaningful feedback and acting upon it is a motivational experience for the employee. In this way performance appraisal serves as a vehicle for personal development.

Developmental approach deals with the following:

- Provide employee with feedback on their strengths and weaknesses and how to improve future performance.
- Aid career planning and development; and
- Provide inputs for personal remedial interventions

Sources of Performance Appraisal:

The appraiser may be any person, who has thorough knowledge about the job content,
contents to be appraised, and who observes the employee while performing a job.

1. The immediate supervisor

The general practice is that immediate supervisor appraises the performance of the subordinates. The immediate supervisor is in position to observe, direct and evaluate the subordinate's performance and is responsible for that person's performance. The findings of a case study suggest that Managers who receive positive feedback about their performance subsequently rate the employee significantly higher than managers who receive negative feedback regarding their own performance. This occurs despite the fact that the managers know the evaluation of them is bogus. Hence it can be said that one's own performance appraisal is related to the subsequent appraisal of one's subordinates.

2. Peers

Appraisal by peers is popular in the firms that use team appraisal or peer appraisal. Peers are in a better position to evaluate certain facts of job performance which the subordinates or superiors cannot do. Such facts include contribution to work group projects, interpersonal effectiveness, communication skills, reliability and initiative etc. This technique of appraisal may be reliable if work group remains stable over a reasonably long period of time and performs the task that requires interaction. Peer appraisals can have impact on open communication, motivation and group viability. Here, an employee chooses an appraisal chairperson every year, that person then selects one supervisor and three-four other peers to evaluate employee's work.

3. Subordinates

Many organisations let the subordinates to rate their superior's performance. This process is called as "upward feedback". It helps in assessing certain aspects of superior's performance like ; management style, ability to communicate, delegate the work, allocate resources and deal with employee on a fair basis etc. It also helps to know the expectations of the subordinates from their superiors. The rating given by subordinates would also help to identify the competent superiors. Here, the fear or reappraisal often compels a subordinate to be dishonest in his rating.

4. Self- appraisal

Self-appraisal gives a chance to the employee to look at his/her strengths and weaknesses, his achievements, and judge his own performance. If employee is clear with the objectives, his/her responsibilities, they are to a great extent in a better position to appraise their own performance. Employees generally rate their performance more favorably than do their

supervisors, which can lead to conflict and poor job performance. However, comparative international research indicates that persons from other-oriented collectivist cultures are less self-enhancing, suggesting that other-oriented employees will exhibit greater agreement with ratings provided by their supervisors.

5. Rating Committees

Many organisations use rating committees. These committees contain the employee's immediate supervisor and three or four other supervisors. There can be discrepancy among ratings by individual supervisors, the composite rating tend to be more reliable, fair and valid

6. User of Services

This appraisal is done in service organisations, where performance of an employee is evaluated on certain criteria like promptness, speed in performing a given task, accuracy etc. is judged by users of the service.

CONCLUSION

 Many people equate performance management with performance appraisal. This is a common misconception. Performance management is the term used to refer to activities, tools, processes, and programs that companies create or apply to manage the performance of individual employees, teams, departments, and other organizational units within their organizational influence. In contrast, performance appraisal refers to the act of appraising or evaluating performance during a given performance period to determine how well an employee, a vendor or an organizational unit has performed relative to agreed objectives or goals, and this is only one of many important activities within the overall concept of performance management.

At the workplace, performance management is implemented by employees with supervisory roles. Normally, the goal of managing performance is to allow individual employees to find out how well they had performed relative to performance targets or key performance indicators during a specific performance period from their supervisors and managers.

REFERENCES

[1] . Mettler T, Rohner P (2009). Performance management in health care: The past, the present, and the future (PDF). International Conference Business Informatics. Vienna. pp. 699–708.
[2]   Zaffron, Logan, Steve, David (Feb 2009). Performance Management: The Three Laws of Performance: Rewriting the Future of Your Organization and Your Life (1st ed.).
[3] Madden, Bartley J. (September 2014). Reconstructing Your Worldview. Learning What Works Inc. p. 99. ISBN 0988596938.
[4] Nielsen, Poul A. 2014. "Performance Management, Managerial Authority, and Public Service Performance." Journal of Public Administration Research and Theory. 24(2):431–458.
[5] Gerrish, Ed. 2015. "The Impact of Performance Management on Performance in Public Organizations: A Meta-Analysis." Public Administration Review 76(1):48–66.
[6] A Handbook for Measuring Employee Performance, by the US Office of Personnel Management