Advantage of on-Line Performance Management System

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ABSTRACT   *Performance Management is an established process for the planned, formalized, and standardized valuation of objects according to past, present or future-oriented criteria. An online performance management process integrates the breaking down of overall enterprise objectives to the departmental level with the planning of tasks to be agreed upon with individual employees, checking that these tasks are fulfilled in a review and the final appraisal, and the resulting feedback cycles. The sole motive and primary focus of this paper is to investigate the advantage of on-line performance management system.*

KEYWORDS : SAP, Performance Management System, Appraisal

INTRODUCTION

In Performance Management, the objective setting processes are a part of implementing an enterprise's strategy.

This kind of oriented objective setting process ensures a high degree of transparency regarding the objectives communicated to an employee and the employee's own performance. Furthermore, the objective setting process can be coupled with a performance-related compensation adjustment for the employee. This transparent procedure thereby boosts employees' motivation and willingness to perform well.

Enterprise-wide processes, such as the setting and monitoring of objectives and the performing of appraisals, are thereby amalgamated and standardized. This dramatically increases the objectivity of appraisals through performance management system. Continual online feedback processes enable you to establish a modern and future-oriented personnel management procedure.

This paper aims at investigating the advantage of online performance management system.

The basis of this research is the implementation of performance management system through SAP done by my team and me for the KPIT Cummins. The results of this case study may not be inclusive, but I believe it to be a striking case study.

CASE STUDY

We reviewed the SAP performance management system in KPIT Cummins, India to determine how these online systems provide advantage to the organization & employee.

KPIT Cummins, India has implemented SAP online performance management system for their employee.

We map all of the standard phases for an appraisal process (such as the planning meeting, review, and appraisal), as well as perform a variety of evaluations of the appraisals through SAP

An online performance management system encompasses the following phases:

Planning

In a planning consultation, the necessary qualifications and competencies are first identified for an employee and then concrete objectives and required performance levels are agreed upon. For example, sales targets could be defined and the employee could agree to take on specific tasks in a project. These aspects can be defined by the manager, by the employee, or both. The employee's personal training and development requirements are discussed and entered in the objective setting agreement.

Review

During the review, the objectives agreed upon with the employee during the planning phase are checked and adjusted to reflect the current situation. The manager and employee discuss the possible need for support, establish whether the objectives defined in the

planning phase are still relevant, and add further objectives or decide to delete obsolete ones. Furthermore, the manager can make comparisons between the objectives set previously and the employee's current performance.

Appraisal

During the appraisal, the manager and employee discuss the extent to which the employee has fulfilled the set objectives. They check and assess the employee's overall performance and the implementation of concrete set objectives. Any further training requirements or an over fulfillment of the objectives are identified in the different areas. The appraisal document is completed when the manager and employee agree on a valuation. As soon as the appraisal document is saved in the system as Completed or Approved, the employee's compensation can be adjusted automatically and the employee's qualifications profile can be updated.

Figure 1 Online Performance Management Cycle
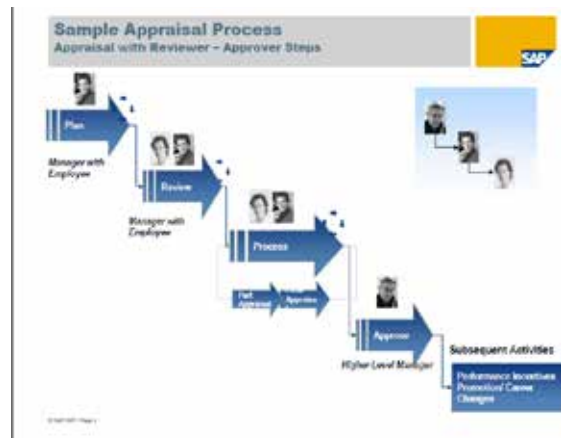
Source: SAP ERP

A performance appraisal system has everything online documented so that an employer and employee each know what was covered. After the appraisal has been completed, the employee should be given time to look over the document and reflect on what was said. Then the employee should be allowed to add comments to the appraisal before signing it. A performance appraisal system gives management information, later on, if they need to promote or fire an employee. It is very hard to argue with objective facts and figures.

In this paper I have made an effort to emphasize the advantage of online performance management system.

. RESEARCH METHODOLOGY

The research is based on online performance management systems implementation & support project which has been done with KPIT Cummins.

The project comprises of several phases which are described as follows:

Project Preparation

Project preparation is a phase in which we plan the project. It is the initial phase in which we lay the foundations for successful online performance management system. In this stage we make the strategic decisions crucial to the project, such as:

- Define the goals and objectives of the project.
- Clarify the scope of online performance management system.
- Define the project schedule.

Business Blueprint

In this phase we create a blueprint, which documents enterprise's requirements and establishes how the objectives are set and appraisals are represented through online performance management system.

Realization

In this phase, we configure the requirements contained in the Business Blueprint. Other key focal areas of this phase are conducting integration tests and drawing up end user documentation.

Final Preparation

In this phase we complete final preparations which include testing, end user training, system management, and cutover activities. At this stage we need to necessarily ensure that all the prerequisites for online performance management system to go live have been fulfilled.

Go Live & Support

It is the phase in which we move to the live online performance management system. The most important elements include setting up production support, monitoring system transactions, and analyzing the impact of online performance management system.

CONCLUSIONS

A performance appraisal system allows an employee to periodically receive feedback regarding his performance as well as his goals and objectives. An employee wants to know how he matches up to the goals that have been set by the company. A performance appraisal will provide this information by being as objective as possible.

Advantage of an online Performance Management System

- If feedback is delivered properly and an opportunity for improvement is given, the self-confidence of the employee will raise.
- The work is defined more clearly and expectations are clear, providing the required direction and alignment with the strategic goals of the company.
- Increased team and individual productivity/performance for manager.
- Prevention of issues through an on-going online discussion around performance.
- If there is a link to salary, the increase plus budget will be spent on a fairer basis, will be more credible, and will yield better returns in terms of recognition and motivation aspects.
- The content of the appraisals will facilitate to do the manpower planning and adapt the training plan to the needs expressed to perform well in the job.

This is a significant field for future research regards the advantage of Performance Management System.

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