

Impact of performance management on organizational development



MANAGEMENT

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ABSTRACT

Performance management is a continuous process of improving performance of employees in the organization. In the global competitive era organizations always searching for a better strategy to improve the performance of overall operations and it also wants to see a greater result in the near future. This can be achieved by implementing performance management system effectively in the organization. The aim of the study is to evaluate prevailing performance management system practiced in the organization. The present study is conducted by collecting the opinion of 60 respondents and reviewing the literature.

Introduction

Change gives birth to the performance management system in industry. It helps the industries to update skill and technology according to the present needs and demand prevailing in the industry. Human resources are considered as the most valuable resource in the organizations only when if they upgraded their skills and knowledge as per the requirement of the job market. This makes organizations has to focus on continues improvement of their vision and mission to achieve desired result in the future. Innovation, technology, competency, strategy and leadership will make the firm competent to achieve its vision. The objective of performance management is to develop and improve the performance of an individuals and teams thereby contributing towards achieving organizations goal. It aims to develop capacity of people with an intention to meet and exceed expectations. It helps to achieve potentiality of individuals there by benefits both individuals and the organizations. Performance management provides the basis for self-development. It plays a significant role in ensuring the support and provides guidance to improve the competency of the employees.

Literature review

Stephen Macaulay and Sarah Cook (1994), given importance to encourage excellence without peering over people's shoulders, build motivation and commitment, measure, responsibility, involvement, feeling valued, coaching for performance, review and reward performance will helps to manage the performance in the organization.

The study conducted by Hadyn Ingram and Brenda McDonnell (1996) revealed that, to achieve desired result in an organization team work is essential. The aim of the present study is to investigate a various approaches that will helps in managing performance of an employee in the future.

In the study of Patrick C. Flood and Margaret M. Heffernan (2000) illustrated the relationships between the adoption of competency based human resource management and a range of other variables that will impact on the performance of the organization.

Objectives for the present study

To know the performance management system prevailing in an organization.

To understand the impact of the goal set by the organization on the performance of an employees.

To know the best practices adopted by the organization to manage performance of employees.

Need for the present study

To understand the requirement of the organization in managing the performance of the employees.

To know the importance of the performance management system prevailing in the industry.

Methodology Applied

For the purpose of study both the primary and secondary source of data has been used. Primary data is collected by issuing questionnaires to the employees of Bikampady industrial area located in south canara district of Karnataka. Total 60 questionnaires were issued to the employees. Secondary data is collected from different books, journals and magazines.

Statistical tool:

Suitable statistical techniques such as chi square and tabulations are used for data analysis and interpretation.

Pillars of the Performance management

Goal setting

Goal setting directs path to the employees and employer in which direction they have to move in order to achieve success in the process. It helps to provide clarity in the minds of employees, which leads in developing employees to meet the future expectation of organization to achieve the goal.

Team building

In present days companies are achieving their goal with a help of teamwork. Teamwork helps to make dreams into reality. Organization has to support teams to meet the expectations of the target groups.

Skill development

As per the job requirement organization has to make an arrangement to upgrade the skills processed by the employees. It will build competency among the employee to complete the project within a given period of time. It also makes the organization to expect the quality work from the employees.

Best practices

Best practices will guide the management to get best result from man and machines. Best practices are the real asset of the organization. So it has to develop the best practices in the workplace to utilize the available resource maximum extent to get the work done within a given period of time. This best practice will make the organization to differentiate themselves from the other rivalries.

Leadership

Organizations have to focus on the development of the leadership qualities among the employees. That will enrich the value of the employees and make them competent to handle the situation effectively.

6. Reward management

Management has to develop a good reward system in the organization to encourage its employees to perform well in the work place. It will help the company to identify the creativity of the employees and recognize their work in the work place. It will act as a motivational tool to the employees in achieving the high performance in the work place.

7. Career planning

It is the step by step growth of the employees in their work place. Employees have to take active part in the development of their career by actively involving themselves in the various employees' developmental programs organized by the company. Employees should be ready to take any type of responsibility for developing their career.

8. Counseling and coaching

An employee problem leads to poor performance in an organization. Managers have to take initiatives to solve employee related problem. Coaching and counseling helps employees to get additional knowledge from their superiors in the workplace and subsequently this lead to improve the performance of the employees.

9. Feed back

Evaluation of performance management is possible by collecting feedback from the employees. The 360 degree feedback helps in assessing the performance of the employees from the superiors, colleagues, subordinators and from the customers. This will result to get the overall performance of the individuals in the organization.

10. Employee development

An employee development program helps to meet the future expectations of the organization. It helps employees to acquire latest skill required to perform their job in the organization. It will sharpen the minds of the employees to reach their desired result in the company.

Empirical evidence

SA- Strongly Agree, A- Agree, N- Neutral, DA- Disagree, SD- Strongly Disagree.

M - Male, F - Female

Table.No.1. Evaluating the performance management system prevailing in the organization.

SL. No	Statements	Gender	SA	A	N	DA	SD	Chi-square	Accept/Reject
1	Meet the expectation of the teams in the organization.	M	9	14	5	2	0	0.52	Accept
		F	7	13	8	1	1		
2	Develop leadership qualities among the employees.	M	11	16	3	0	0	.06	Accept
		F	12	17	1	0	0		
3	Management has to provide counseling facility.	M	9	17	1	2	1	.02	Accept
		F	8	19	1	1	1		
4	Invest on the employee development programs of the organization.	M	14	15	1	0	0	.26	Accept
		F	16	13	1	0	0		
5	Develop innovative practice in the organization.	M	8	9	8	3	2	1.14	Accept
		F	10	11	7	2	0		
6	Develop a good reward system to motivate the talented employees.	M	17	11	2	0	0	.06	Accept
		F	16	13	1	0	0		
7	To implement the developmental projects collect the feedback from the employees.	M	11	16	3	0	0	.60	Accept
		F	14	13	3	0	0		
8	Performance management system has to focus on the objective of the organization.	M	13	14	2	1	0	.06	Accept
		F	14	15	1	0	0		

Source: Primary Data

Note: Degrees of Freedom: 4. Value = 9.488 at 5% of level of significance.

The above result indicates that, all the statements are fall under acceptance region. Hence, it is clear that majority of the employees feels that performance management system will helps employees to develop a new strategy in their work place. It will encourage the team performance of the employees in an organization. Collective feedback will helps the employees to find out their loop holes and it will encourage employees to take corrective action to improve their performance in the organization.

Conclusion

Performance management is the key indicator for the success of the every organization. The present study suggests that companies have to focus on the team performance and try to provide maximum assistance to the team members to complete the project within a given period of time. Developing a good reward management system is essential to motivate talented employees in the workplace. Organization has to provide maximum assistance to the employees. If organization follows all these aspect perfectly in the workplace then it can achieve a tremendous growth in the coming days.

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