PERFORMANCE MANAGEMENT AND ORGANIZATIONAL DEVELOPMENT

Social Science

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ABSTRACT

Performance management is the system of maintaining or improving the job performance of employees through the use of performance planning processes, along with coaching, mentoring and providing continuous over the years, many organizations have implemented performance planning processes. These processes are designed to focus on reviewing the employee's performance by his or her coach, more commonly known as the manager or supervisor. The traditional intent of a performance review is for an employee and manager to examine, at least annually, the employee's duties, competencies and accomplishments. In addition, the performance review provides an opportunity to develop goals for the coming year and to discuss career advancement issues to ensure the employee's development and growth. Not all organizations use a formal performance review process and, in some cases, are bound by collective bargaining agreements (CBAs). However, if practiced fairly with a balanced approach, a performance review process can help engage all employees and create a sense of personal responsibility, including in a union environment. These outcomes, in turn, can lead to a healthy work environment that instills pride in its workers and leads to the accomplishment of organization goals. Even though these areas have been embedded within the traditional style of performance reviews, a focus on these four components for the next generation's workforce ensures that the human resource function stays relevant and continues to be an innovative, successful leader in employee empowerment.

KEYWORDS

INTRODUCTION

The performance of the Community meetings, sports teams, health setting, governmental agencies, social events and even political settings anywhere in the world people interact with their environments to produce desired effects. Armstrong and Baron (1998) defined it as a "strategic and integrated approach to increase the effectiveness of companies by improving the performance of the people who work in them and by developing the capabilities of teams and individual contributors."It may be possible to get all employees to reconcile personal goals with organizational goals and increase productivity and profitability of an organization using this process. It can be applied by organizations or a single department or section inside an organization, as well as an individual person. The performance process is appropriately named the self-propelled performance process a commitment analysis must be done where a job mission statement is drawn up for each job. The job mission statement is a job definition in terms of purpose, customers, product and scope. The aim with this analysis is to determine the continuous key objectives and performance standards for each job position. If a job description is not available, then a systems analysis can be done to draw up a job description.

Meaning of performance management

Performance management (**PM**) includes activities which ensure that goals are consistently being met in an effective and efficient manner. Performance management can focus on the performance of an organization, a department, employee, or even the processes to build a product or service, as well as many other areas.

PM is also known as a process by which organizations align their resources, systems and employees to strategic objectives and priorities.

Benefits of performance management

Managing employee or system performance and aligning their objectives facilitates the effective delivery of strategic and operational goals. Some proponents argue that there is a clear and immediate correlation between using performance management programs or software and improved business and organizational result In the public sector, the effects of performance management systems have differed from positive to negative, suggesting that differences in the characteristics of performance management systems and the contexts into which they are implemented play an important role to the success or failure of performance management.

For employee performance management, using integrated software, rather than a spreadsheet based recording system, may deliver a significant return on investment through a range of direct and indirect sales benefits, operational efficiency benefits and by unlocking the latent potential in every employees work day (i.e. the time they spend not actually doing their job). Benefits may include:

Direct financial gain,
- Grow sales
- Reduce costs in the organization
- Stop project overruns
- Aligns the organization directly behind the CEO's goals
- Decreases the time it takes to create strategic or operational changes by communicating the changes through a new set of goals

Motivated workforce
- Optimizes incentive plans to specific goals for over achievement, not just business as usual
- Improves employee engagement because everyone understands how they are directly contributing to the organizations high level goals
- Create transparency in achievement of goals
- High confidence in bonus payment process
- Professional development programs are better aligned directly to achieving business level goals

Improved management control
- Flexible, responsive to management needs
- Displays data relationships
- Helps audit / comply with legislative requirement
- Simplifies communication of strategic goals scenario planning
- Provides well documented and communicated process documentation

Organization development with performance

In organizational development (OD), performance can be thought of as Actual Results vs Desired Results. Any discrepancy, where Actual is less than Desired, could constitute the performance improvement zone. Performance management and improvement can be thought of as a cycle:

1. Performance planning where goals and objectives are established
2. Performance coaching where a manager intervenes to give feedback and adjust performance
3. Performance appraisal where individual performance is formally documented and feedback delivered

A performance problem is any gap between Desired Results and Actual Results. Performance improvement is any effort targeted at closing the gap between Actual Results and Desired Results.

Other organizational development definitions are slightly different. The U.S. Office of Personnel Management (OPM) indicates that Performance Management consists of a system or process whereby:

1. Work is planned and expectations are set
2. Performance of work is monitored
3. Staff ability to perform is developed and enhanced
4. Performance is rated or measured and the ratings summarized
5. Top performance is rewarded

Performance Management in Companies

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.

Organizations and companies typically manage employee performance over a formal 12-month period (otherwise known as the formal company performance period).

The results of performance management exercises are used:
*   in employee development planning to select the most appropriate and suitable development intervention to improve employees' knowledge, skills and behavior
*   as factual basis for compensation and rewards (pay raise & bonuses being the most common)
*   as factual basis in consideration with other factors for mobility (Example: transfers and promotions)

CONCLUSION

The traditional intent of a performance review is for an employee and manager to examine, at least annually, the employee's duties, competencies and accomplishments. In addition, the performance review provides an opportunity to develop goals for the coming year and to discuss career advancement issues to ensure the employee's development and growth. The aim with this analysis is to determine the continuous key objectives and performance standards for each job position Performance involves the objective and subjective consideration of how to measure and evaluate employee performance results. Objective indicators of performance can include measures such as dollar volume of sales, profitability or amount of product produced. Subjective indicators typically involve collecting information about employees' accomplishments and assessing the impact of these contributions.

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