

Rizvi College of Arts, Science & Commerce Bandra (West)

Unit 1

PERFORMANCE MANAGEMENT (AN OVERVIEW)

TYBMS

SEMESTER 5

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ROADMAP

- ▶ **Meaning**
- ▶ **Features**
- ▶ **Components**
- ▶ **Evolution**
- ▶ **Objectives**
- ▶ **Need and importance**
- ▶ **Scope**
- ▶ **Problems**
- ▶ **Performance management process**
- ▶ **Pre requites of Performance Management**
- ▶ **Performance management Cycle**
- ▶ **Best practices in Performance Management**
- ▶ **Future of Performance Management**
- ▶ **Role of Technology in Performance Management**



Meaning

- ▶ **Performance management is the process of ensuring that a set of activities and outputs meets an organization's goals in an effective and efficient manner.**
- ▶ **Performance management can be defined as a strategic and integrated approach to delivering sustained success to organizations by improving the performance of the people who work in them and by developing the capabilities of teams and contributors. Armstrong and Baron**



Features of Performance Management

- ▶ **Continuous process**
- ▶ **Flexibility**
- ▶ **Future oriented**
- ▶ **Participatory**
- ▶ **Developmental in Nature**
- ▶ **Use of Technology**
- ▶ **Dynamism**
- ▶ **Close linkage with the Organizational Culture as well as various other systems**
- ▶ **Adequate training to Managers**

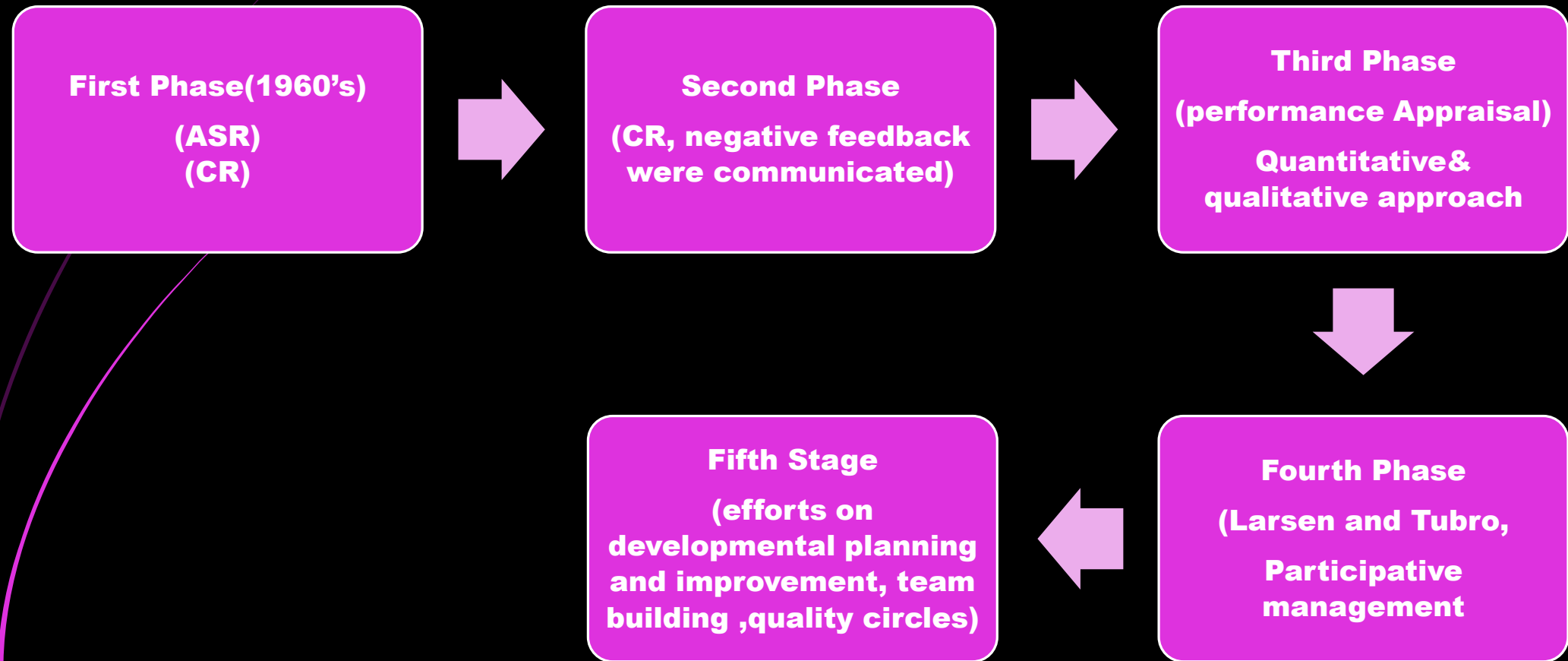


Components of Performance Management

- **Goal Settings**
- **Regular Review**
- **Annual Appraisal**
- **Developmental Plan**
- **Linkage with the Reward System**



Evolution of performance Management





Objectives of Performance Management

To link efforts of employees with organizational mission

To set clear performance expectation

To eliminate wastage

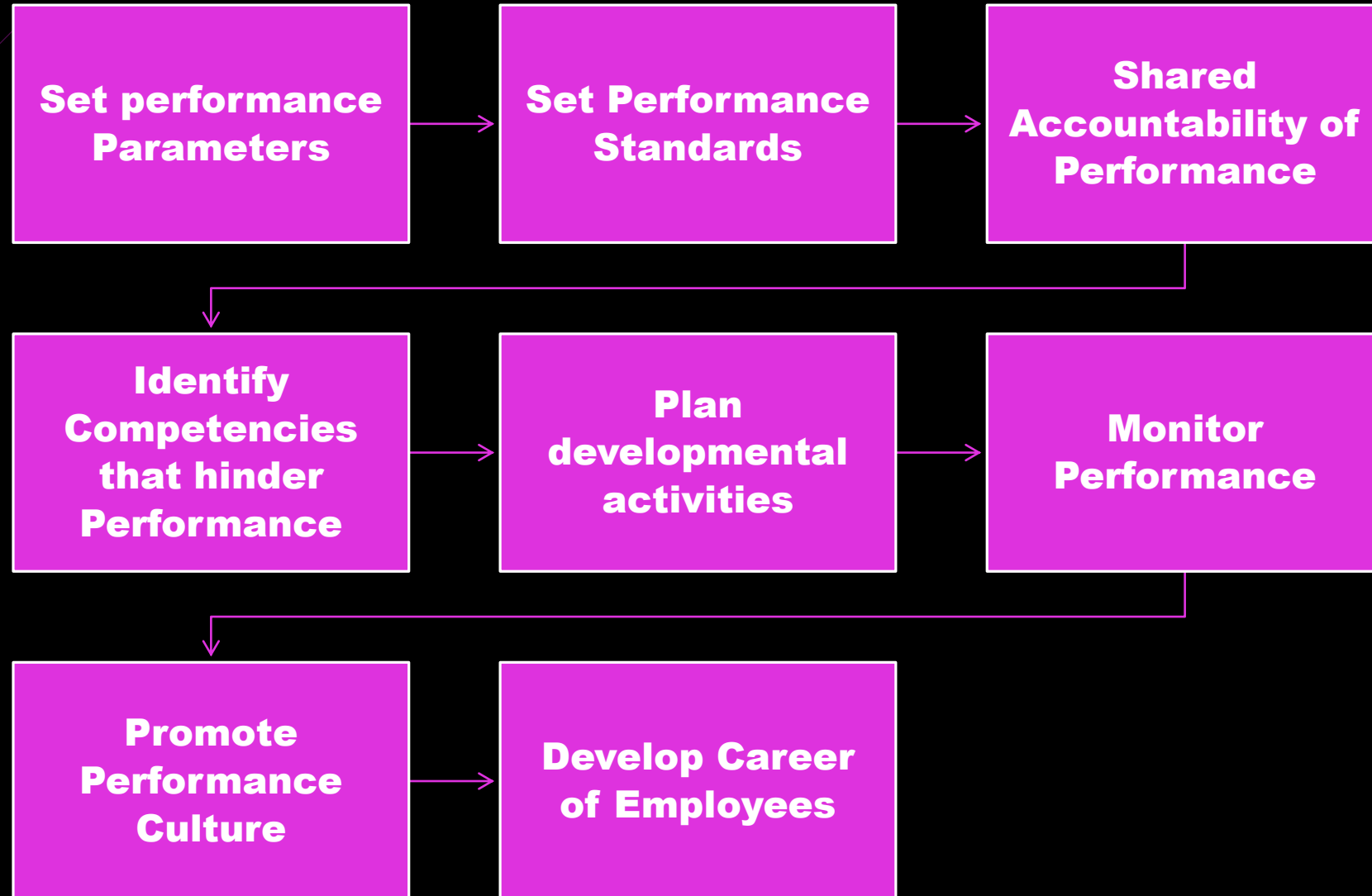
To develop career of employees

To monitor performance

To face competition

To promote effective communication

Scope of Performance Management



Problems in Performance Management

- ▶ **Ambivalence**
- ▶ **System Design And Implementation Problem**
- ▶ **Raters Biases and Errors**
 - ▶ **Varying Standards**
 - ▶ **Recency Effect**
 - ▶ **Primacy Effect**
 - ▶ **Central Tendency Error**
 - ▶ **Leniency Appraiser**
 - ▶ **Strictness error**
 - ▶ **Bias Error**
 - ▶ **Halo Effect**
 - ▶ **Contrast Error**
 - ▶ **Similar To me**
 - ▶ **Sampling Error**



Performance Management Process

Step 1: Identify the dimensions of Job Performance

Step 2 :Defining and Communicating performance Standards

Step 3 : Determining who will conduct the Appraisal

Step 4 : Choosing the appropriate method of Appraisal

Step 5 : Communicating Appraisal to Employees

Pre-Requisites of Performance Management

- ▶ **Participation**
- ▶ **Support from Top Management**
- ▶ **Articulation of Vision, Mission and Goals**
- ▶ **Clear Definition of Roles**
- ▶ **Open Communication**
- ▶ **Identify and State Performance Parameters**
- ▶ **Reward and Recognition**
- ▶ **Proper Training**
- ▶ **Consistency**



Linkage of Performance Management with Other HR functions

- ▶ Performance management And Recruitment, Selection and Placement
- ▶ Performance management and training and Development (T&D)
- ▶ Performance management and performance Appraisal



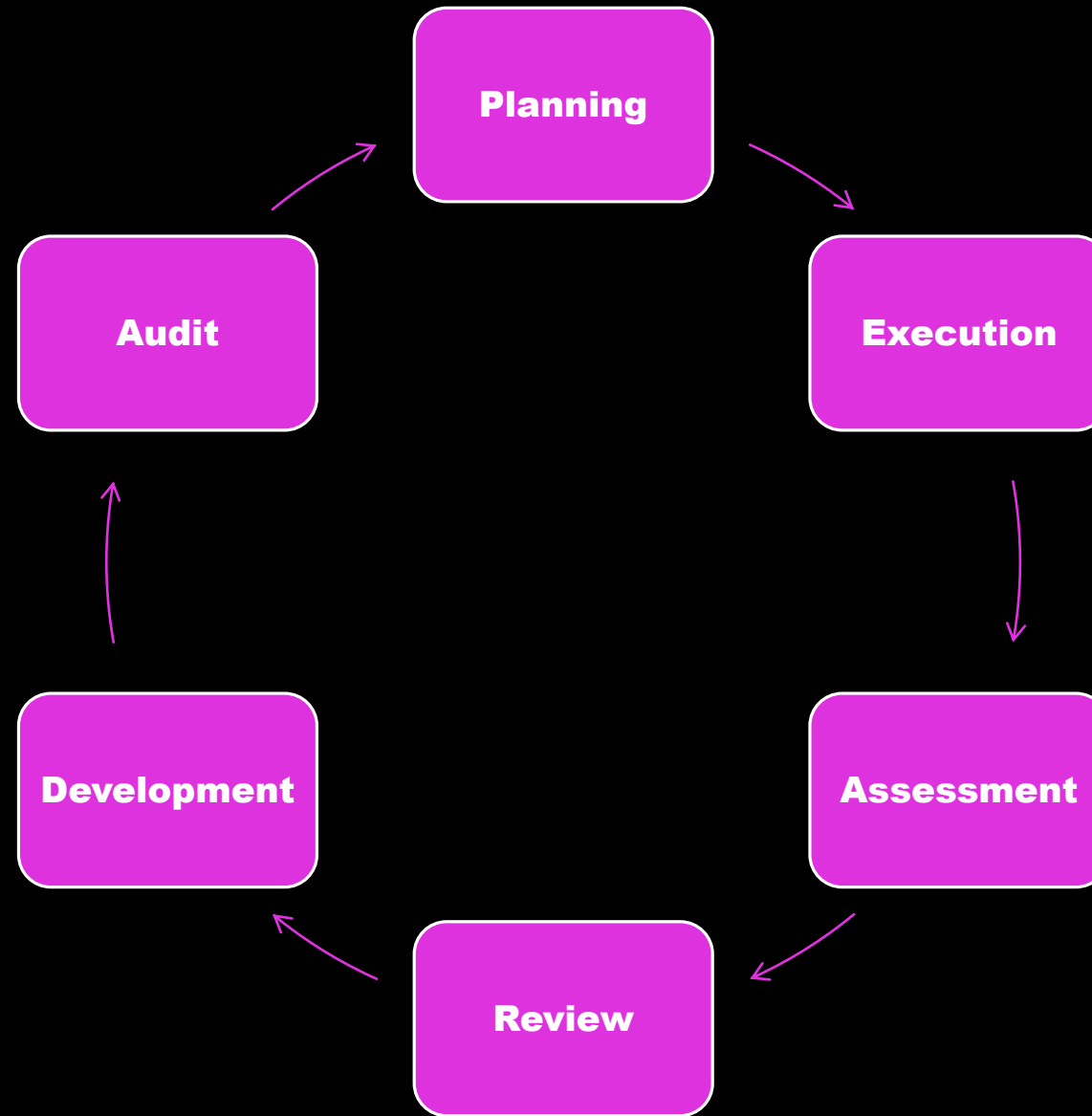
Difference between PM & PA

Characteristics	Performance Management	Performance Appraisal
Types of Objective	It emphasis on Integrating organizational, team and individual objective	It emphasis on Individual objective
Types of Performance Measures	It uses Competency requirements as well as Quantified measures	It uses qualitative and Quantitative measures
Focus	It is Focused on Performance planning, appraisal and Development	It is focused on rating and evaluation
Ownership	It is owned by the line management	It is owned by the Human Resource Department
Rating System	It follows joint or participative process, ratings are less common here	It follows the top-down system with ratings

Difference between PM & PA

Characteristics	Performance Management	Performance Appraisal
Frequency	There is continuous review with one or more formal reviews in a year	There is annual appraisal
Link with pay and Rewards	It is less likely to be linked to pay or rewards	It is directly linked to pay and rewards
Corporate Alignment	Integrated business- driven system aimed at organizational and people development	Isolated system not linked to organizational goals
Orientation	Future oriented	Past Oriented

Performance Management Cycle



Best Practices in Performance Management

- ▶ **Set Goals effectively**
- ▶ **Begin with performance Planning**
- ▶ **Ensure an ongoing process**
- ▶ **Improves Productivity through better Goal Management**
- ▶ **Gather Information from a number of Sources/ Use Multiple Raters**
- ▶ **Documentation**
- ▶ **Adequately Prepare and Train Managers**
- ▶ **Review**
- ▶ **Link Performance management and Rewards and Recognition**
- ▶ **Evaluate and Encourage Full Participation and Success**



Automating best Practices with Technology

- ▶ **Instant from routing and paperless processes**
- ▶ **Goal tracking and complete visibility and alignment**
- ▶ **Legal scan wizards to ensure appropriate/legal use of language**
- ▶ **Automated goal management and performance review reminders**
- ▶ **Writing assistants to help managers prepare appraisal forms**
- ▶ **Support tools providing coaching support to managers when they need it most**



Future of Performance Management

- ▶ **Dropping performance Rating**
- ▶ **Check-in meetings**
- ▶ **In- the- moment Feedback**
- ▶ **Short-Term Orientation**
- ▶ **Use of Online Performance Management Software and Apps**
- ▶ **Increasing Impact of Social Media**
- ▶ **More Scrutiny on Gender Bias in Performance Management**

Be the
CHANGE
Before
CHANGE
Changes You

Role of Technology in Performance Management

- ▶ **Computer performance Monitoring**
- ▶ **Online Evaluation and appraisal Software**
- ▶ **Feedback**





**THANK
YOU!**