

## MANAGING EMPLOYEE'S PERFORMANCE

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### ABSTRACT:

A performance management system includes the processes used to identify, encourage, measure, evaluate, improve and reward employee performance on the job. Employees' job performance is an important issue for all employers. However, satisfactory performance does not happen automatically; however, this is more likely to happen with a good performance management system. Performance Management System is the talent within the organization that involves creating an appropriate work environment where employees can perform to the best of their abilities to meet organizational goals. It is a broad set of activities aimed at improving the performance of the employees. The basic goal of a performance management system is to promote and improve employee effectiveness. It is an ongoing process where managers and employees work together to plan, monitor and review an employee's work objectives or goals and his overall contribution to the organization. Companies can spend a lot of time and money hiring and training employees. Using employee performance management systems can be a way for employees to decide whether to stay with the company for many years. Many companies treat employees as valuable business partners, rather than the traditional input resources needed to accomplish tasks and goals. Employees may be willing to work harder to achieve success and recognition under a company's employee performance management system. Employee performance management usually consists of several stages for the guidance and evaluation of employees. These steps include planning, monitoring, development, rating and rewarding. The planning phase begins with companies deciding on required employee jobs and tasks that need to be completed in the workplace.

**Keywords:** Successful Evaluation, Job knowledge, Communications

### INTRODUCTION

Employee performance management is a set of tools and processes used by managers and supervisors to measure the current success of a company and its employees. By using careful monitoring and evaluation, managers can help employees better understand their jobs and improve performance to meet goals. While some may view employee performance management as a negative process, when done with professionalism, realistic goals and a good attitude, a consistent program of employee performance management can actually help create a positive workplace for all. Can do. Employee performance management is the process a company uses to manage its employees to ensure organizational success. Performance management techniques include planning job goals and expectations, monitoring performance, improving employees' jobs, and rewarding good performance.

Employees are those individuals who rely on business functions and tasks to be completed; Employee performance management seeks to improve company culture and employee goodwill. Improving these areas can help companies hire the best employees and retain valuable employees with critical knowledge of business processes. The rating phase of the employee performance management system is created by each company according to their management style and company culture. Most companies will interpret the rating system by scoring employees appropriately based on their job performance and productivity. Rating employees is accomplished on a periodic basis, based on the company and its employee performance management system. After an

employee is rated for his performance, the company will reward the employee. Rewards can be monetary or incentive based. Common monetary rewards include bonuses, qualifying increments or gift cards; Incentive style rewards include banquets with recognition plaques or trophies, extra holiday days or physical gifts of goods or services. Companies may use a mix of rewards on a tiered basis, allowing employees to strive for the best reward available for the performance of their jobs.

### 2: Factors in Successful Evaluation

The success of performance appraisal largely depends on two factors – the parties involved and the system used. The manager and subordinates must be very clear about the objectives of a performance appraisal and must have sufficient confidence in the process and

the tools it uses. Each part should take the required time to prepare for the session.

Requires the manager to gather his (her) ongoing observations, specific performance records, ideas for improvement and plans for growth and development. The system needs to be fairly appropriate for the employee's current job. Many times a system is primarily designed for a category of employees, but is used extensively for all categories of personnel. Obviously this would fail to reflect performance on other jobs. Moreover, the criteria for measuring the employee should not only be appropriate but also specific. Finally, the criteria should be such that enables the manager to evaluate the employee against the standards and not against any other employee.

### 3: Objectives of The Study

Objectives should be clear – The objectives of evaluation should be clear and specific.

A performance management system includes the processes used to identify, encourage, measure, evaluate, improve and reward employee performance on the job. Employees' job performance is an important issue for all employers. However, satisfactory performance does not happen automatically; however, this is more likely to happen with a good performance management system.

The assessment serves a dual purpose:

- (1) Employees should be informed about their work, mission and
- (2) Providing information to employees and managers for use in making work-related decisions. Specifically, evaluation systems serve the following purposes:
  1. Feedback Mechanism:
  2. Growth Concern:
  3. Documentation Concerns:
  4. Diagnosing Organizational Problems:
  5. Employment Decisions:

### 4: Data Collection

The present study is based on secondary data. The Secondary data collected from various online standard textbooks, research articles, reports, power point presentations of the corporate, manuals, leading newspapers, journals, and websites, which constituted a supportive literature for the purpose of making analysis and suggestions

### 5: Difference Between Performance Appraisals and Performance Management

Performance appraisal is a rational appraisal of an individual's performance on the basis of predetermined parameters. On the other hand, performance management approaches to manage the performance of the manpower working in an organization. While performance appraisal is an annual system whereas if we talk about performance management, it is a continuous process which does not happen eventually. What kind of appraisal process is adopted by the organization is the biggest question, as the appreciation and development of the employees depends on it? Some employees work quietly but don't show themselves/herself, while there are employees who put on a show but hardly perform.

Therefore, performance appraisal and management play an important role, as the success of the organization is the combined effort of all the employees and the entrepreneur.

#### 5.1: Key difference between performance appraisal and performance management

1. An organized way of evaluating the performance and potential of the employees for their future growth and

development is known as performance appraisal. The whole process of managing the human resources of the organization is known as performance management.

2. Performance appraisal is a system whereas performance management is a process.
3. Performance appraisal is inflexible, but performance management is flexible.
4. Performance appraisal is an operational tool to improve the efficiency of the employees. However, performance management is a strategic tool.
5. Performance appraisal is done by a human resource department of the organization while managers are held responsible for performance management.
6. In performance appraisal, improvements are made retrospectively. The opposite of performance management is forward looking.
7. Performance appraisal has an individualistic approach which is quite opposite in the case of performance management.
8. Performance appraisal is done eventually, but performance management is an on going process.

### 6: Performance Management System - Key Concerns

6:1 It is highly result oriented and hence is concerned with results, production in terms of knowledge and application gained, skills learned and used and whether the desired level of output is generated or not etc. Having a result oriented performance management system is a very important aspect at the organizational level. When the process focuses on achieving the desired results and makes the employees work in a particular way, there is a huge amount of success for the organization as well as it

ensures that the employees are committed to work towards the desired results. Be motivated enough.

**6:2** It is concerned with the measurement of performance and aligns it with the goals of the organization for sustainable growth. This is a very important aspect of performance management. When the system measures performance, it gives management a clear idea of how employees are performing, where they are doing, what they do as far as their performance is concerned, and what needs to be done to bridge the gap between actual and standard levels. The performance management system provides a scope for continuous measurement of performance and at the same time, aligns the performance of the employees to the organizational performance as a whole so that full growth and development can be achieved.

**6:3** It is concerned with setting business objectives in advance for smooth conduct of operations. Having set objectives well in advance gives employees a clear picture of what is expected of them and what level of performance they require. Having set objectives, performance measurement and then management becomes extremely easy and scientific, as management can at any time go back and change the objectives to suit the current needs of the market, the organization and the individuals. It ensures smooth functioning and completion of process in the organization.

**6:4** Always strive for continuous improvement and change in all processes of the organization to create and develop a culture of performance. The main idea behind having a performance management system in the organization is to change the way employees perform. As it is well known to all that

change is the only constant and we all have to change to keep up against the competition with change. And employees can survive in the market only when they have sufficient skills, right attitude and advanced knowledge. This is possible with an extremely competitive performance management system. The system continuously checks the performance loop and if there are any constraints or gray areas in the performance of the employees, it provides scope to improve the performance of the employees for the growth and development of the organization.

**6:5** It is concerned with establishing a culture of performance and a culture of openness, confrontation, trust, authenticity, proclivity, autonomy, collaboration, experimentation. If the culture has these dimensions, the performance system can be implemented very quickly and effectively.

The organization's performance management system should always be aligned with the processes and practices existing in the organization to achieve overall growth and development. Acknowledges the employees and at the same time motivates the employees to perform better every time.

**6:6** It deals with the provisions relating to decision making while awarding rewards and remuneration to employees. Trust creates performance and performance leads to success, growth and expansion of the business unit. The main idea behind having a performance management system is to make employees independent as far as work, production and performance is concerned.

When employees know that their performance is being appreciated with

appropriate rewards and recognition, they perform with the utmost care and precaution. They are more focused on their work and require very little supervision. This makes them much better at making decisions. And their dependence on their supervisors is reduced.

## 7: Suggestion & Recommendations

The managing employee's performance system consists of the following actions

- i. Develop clear job descriptions and performance plan indicators to determine key result areas (KRAs) for employees.
- ii. Selecting the right kind of people to implement and execute the process of performance management system.
- iii. Analysis of performance and results achieved with respect to performance standards.
- iv. To provide continuous, constructive and regular feedback for continual improvement in the performance of the employees.
- v. Continuous support for career development and guidance to meet current and future goals.
- vi. To encourage reward system commensurate with performance standards. Managing employee's performance System is the talent within the organization that involves creating an appropriate work environment where employees can perform to the best of their abilities to meet organizational goals.

It is a broad set of activities aimed at improving the performance of the employees. The basic goal of a performance management system is to promote and improve employee effectiveness. It is an ongoing process where managers and employees work together to plan, monitor and review an employee's work objectives or goals and his overall contribution to the organization.

The performance management system is strategically aligned with the corporate

strategy and human resource strategy to achieve unit, team and individual objectives. It has become necessary today to keep in mind the rapidly changing nature of the internal and external environment while doing this alignment.

Performance appraisal is a part of the performance management system (PMS) and is a tool used by the organization to evaluate and inform employees where improvements are needed and why. Although performance appraisal information provides input for the performance management process, performance management holistically considers ways to motivate employees to improve their performance.

### 8: Conclusion

Research has indicated that managers are less motivated by money than by other rewards that appeal to their higher-order needs, such as achievement, recognition and self-actualization. However, practices in the industry suggest that money is a very important reward. Large companies in the United States often offer profit-sharing plans that allow the worker to share in the profits derived from their labor inputs. There are several well-known plans such as Scan Plan and Impress hair. Management also uses profit-sharing and stock ownership of employees to motivate employees. However, it is difficult for employees to see a direct relationship between their own

efforts and the rewards earned by these incentives, especially in a large organization. Managers are required to implement restrictions from time to time to ensure that underperforming individuals increase their performance. These include verbal reprimands, formal and written warnings, short layoffs and terminations. Some managers have become highly creative in this area. Whatever restrictions are used; it is important for laymen to bear in mind that they should be. Last resort. Motivationally, rewards are more strongly associated with effective performance than restrictions, which are only a small effect for behavior. Nevertheless, sanctions are necessary in some cases and even the most extreme sanction or termination warns others that ineffective performance will not be tolerated.

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