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Implementation of Performance Management Techniques For Effectiveness of Work Force

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ABSTRACT

In performance management or merit rating refers to all the formal procedures used in working organizations to evaluate the personalities and contributions and potential group members. In appraisal system the employee's merits like initiatives, dependability, personality etc., are compared with others and ranked two rated. Appraisals might be based on the criteria of employee's skills, educational qualifications, knowledge, abilities to delegate plans, supervise, assume responsibility, exercise leadership, personal qualities, creativity, decision making and interpersonal skills. Management motivates an employee into increased effort aimed at enhancing the outcome of the assessment. It tells an employee what set of activities or what qualities are considered desirable by the organization. It is the systematic method of obtaining, analyzing & recording information about an employee that is needed:

- For effective management of business.
- By the manager to help him improve the jobholder's performance and plan his career.
- By the jobholder to assist him to evaluate his own performance and develop himself.

In performance planning and review, the Reporting Manager is expected to set targets or tasks for the appraise in the beginning of the year. In the middle of the year, the appraise fills the self-appraisal form, indicating the extent which the target or task has been completed, the difficulties faced and the suggestions for improvement. At the end of the year, there is the annual review and targets/tasks

set for the next year. Both in the mid-year review and annual review, the self-appraisal is supplemented by a performance review, discussion, the problems are discussed, and the appraiser is given feedback on how he is doing.

Keywords: Performance Management, Motivation, Job Satisfaction, etc.

INTRODUCTION

Performance management (PM) includes activities that 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.

Performance management as referenced on this page is a broad term coined by Dr. Aubrey Daniels in the late 1970s to describe a technology (i.e. science imbedded in applications methods) for managing behavior and results, two critical elements of what is known as performance.

A major concern of every organization should be to contribute positively towards the achievement of its objective. Organizational effectiveness is often equated with managerial efficiency. A manager can ensure organizational effectiveness only by guaranteeing the full utilization of human resource available through individual employees under his guidance. Hence, it is always required for a manager to monitor and measure the performance of employees.

Moreover, since the organization exists to achieve the goals, the degree of success that individual employees have in reaching this individual goal is important in determining organizational effectiveness. The assessment of how successful employees have been at meeting their individual goal to come a critical part of human resource management. This leads to concept of performance management.

A performance management system functions as definitions of performance. Performance management is a method of evaluating the behavior of employees in the work spot, including both qualitative and quantitative aspects of job performance indicates how an individual is fulfilling the job demands and it is always in terms of results. Under performance management not only the performance of an employee but also his potential for development is evaluated.

“Performance Management is a systematic description of an employee’s job relevant strengths and weaknesses”.

SCOPE OF THE STUDY:

In the present study an attempt has been made to know the actual implementation of performance management techniques in general and some other aspects such as awareness of the workers, effectiveness of the performance management system in particular. Human resource projections are valid on appraisals. By improving job skills, the employees have lot of scope for development and prepare themselves for higher responsibilities.

A thorough analysis of the performance management system will help the management to know the short comings, if any. It also help the company in knowing whether the performance management techniques are used to full extent or not, there by the researcher can understand the effective implement of the performance management system.

NEED OF THE STUDY:

The need of the performance management is to determine what aspects of performance are required to be evaluated.

- To identify those who are performing their assigned task well and those who are not and the reason for such performance.
- To provide information about the performance ranks basing on which decisions regarded salary fixation, conformation, promotion, demotion and transfer are taken.
- To provide feedback information about the level of achievements and behavior of an employee.
- To provide information and counsel the employee.
- To compare actual performance with the standards and in out deviations (positive and negative)
- To create and maintain satisfactory level of performance.
- To prevent grievance and in disciplinary activity.
- To facilitate fair and equitable compensation.
- To ensure organizational effectiveness.
- It guarantees useful information about employees and the nature of their duties.

We can briefly say that performance management systems are necessities to assess performance at regular intervals with consistency to study improvements, deviation and to take corrective actions to bridge gaps and improve performance over a period of time.

OBJECTIVES:

- To find the effectiveness and execution of appraisal system (Performance Management) in Limited Software Companies, Hyderabad.
- To understand how performance management can assist in a variety personal divisions by generating data about each employees periodically.
- To know the Performance Appraisal process and Procedures of different Companies.
- To establish an objective basis for the different levels of performance and to identify executives with potential to grow in the organization.
- To understand performance management as an instrument in helping each employee to you understand his own strengths and weakness.
- To understand whether the self-appraisal has given importance during performance management.

METHODOLOGY

The research methodology is a systematic way to solve the problem and it is an important component of the study without which researcher may not be able to obtain the facts and figures from the employees.

SOURCE OF DATA:

The study is based on primary as well as secondary data collected from different sources:

A). Primary Data: The primary data is collected with the help of questionnaires, which consists of twenty questions each. The questionnaires are chosen because of its simplicity and liability. Researcher can expect straight answers to the questions. The respondents are informed about the significant of the study and requested to give their fair opinions.

B). Secondary Data: Secondary data is collected through the documents provided by the personnel department. The documents include personnel manuals, books, reports, journal, etc.

SAMPLING PROCESS:

A). Sample Unit: The executives and employed at software companies, Hyderabad constitute 'universe' of the present study. A part of it is taken as sample unit for the resent study. It includes

Software Engineers, Technical and Non-Technical and managers, manager and other employees of software companies, Hyderabad.

B). **Sample Size:** The sample size consists of 100 respondents employed in 10 software companies like WIPRO, AMAZON, INFOSYS, TECH MAHINDRA and so on in at Hyderabad location of the all levels of employees.

LIMITATIONS:

- This study covers those employees who are working at different software companies in Hyderabad.
- Since names are mentioned in most of questionnaires, most of the employees answered favorable to the company. This might have led to wrong finding in the study.
- To understand and knowledge may vary from person to person. The replied gives by the respondents are taken for granted, though they are not uniform.
- The interpretation being based on percentage method is not definite.
- The report is subjects to changes with fast changing scenario.

Review of Literature

Every organization performs its task with the help of resources as men, machine, materials and money. Except manpower other resources are non-living but manpower is a live and generating resource. Manpower utilizes other resources and gives output. If manpower is not available, then other resources are useless and cannot produce anything. Out of all the factors of production manpower has the highest priority and is the most significant factor of production and plays a pivotal role in areas of productivity and quality. In case, lack of attention to the other factors those are non-living may result in reduction of profitability to some extent. But ignoring the human resource can prove to be disastrous. In a country where human resource is abundant, it is a pity that they remain under-utilized. In wording of Oliver Sheldon "No industry can be rendered efficient so long as the basic fact remains unrecognized that is human." The people at work comprise a large number of individuals of different sex, age, socio-religious group and different educational or literacy standards. These individuals in the workplace exhibit not only similar behaviour patterns and characteristics to a certain degree but also, they show much dissimilarity. Technology alone, however, cannot bring about desired change in economic performance of the country unless human potential is fully utilized for production. The management must therefore be aware not only organization but also, employees and their needs.

Farr (1993) competes that day-to-day or informal feedback is more significant than feedback that occurs during the semi-annual or annual performance appraisal session in terms of its impacts on attitudes and work performance.

Waldman, David A (1994) Suggested that performance management efforts focused on group level rewards and appraisal will have a greater positive effect on Total Quality Management implementation efforts than on efforts focusing on individuals, particularly at lower hierarchical levels. Moreover, these effects will be further maximized when coupled with a continuous improvement approach to work systems.

Anil Kumar V (1995) in his study indicates that in order to motivate the employees and to raise their efficiency, the management should adopt measures to evaluate the merit of the employees and to make them feel that their merit is appreciated by the management.

Rao, Amba (2000) Employee involvement and successful experiences will help reduce employee anxiety and skepticism toward performance management processes in Indian firms.

Stivers, Bonnie P and Joyce, Teresa (2000) Performance management systems should include a balanced set of procedures that are linked to the organization’s strategic objectives wherein managers require timely “gauges” to control operations and get feedback on strategy achievement wherein these gauges must be provided in a balanced performance management system which includes both non-financial and financial measures.

Rao (2001) Conducted a survey of appraisal practices in 45 different organizations (34 private and 11 public sector) and he found that about 50 percent of the organizations seem to profess the purpose of their appraisal as regulating employee behavior as well as developing employee capabilities. About 30 percent of them still use appraisals only for controlling and regulating employee behavior whereas only about 10 percent seem to use appraisals mainly for developmental purposes.

DATA ANALYSIS AND INTERPRETATION

Data analysis has been done by arranging the data in a simple table form and percentages are calculated. The quantitative data has been represented by drawing out the charts where ever necessary.

1. How is the method of performance management system to you?

Table 1: The method of performance management system

Response	No of respondents	% of respondents
Satisfactory	46	77%
Not satisfactory	4	7%
Moderate	10	16%
Total	60	100%

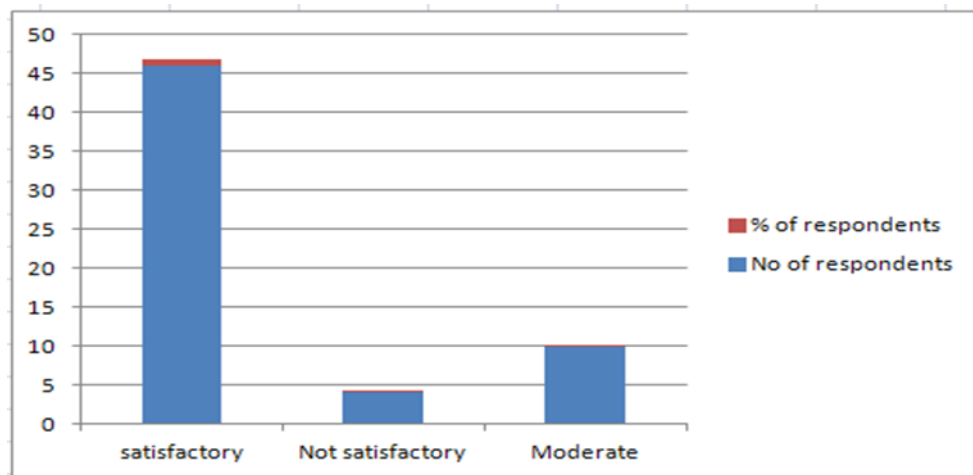


Figure 1: The method of performance management system.

INTERPRETATION:

Most of the employees in the organization are aware of the performance appraisal method followed in the organization and the method is satisfactory. The analysis of the aforesaid responses indicates that 77% of the employees are satisfied and 7% of the employees are not satisfied and 16% of the employees are moderate with the system.

2. Is your job profile (KRAS) perfectly clear to you?

Table 2: Encouragement of work

Response	No of respondents	% of respondents
Yes	50	84%
No	10	16%
Total	60	100%

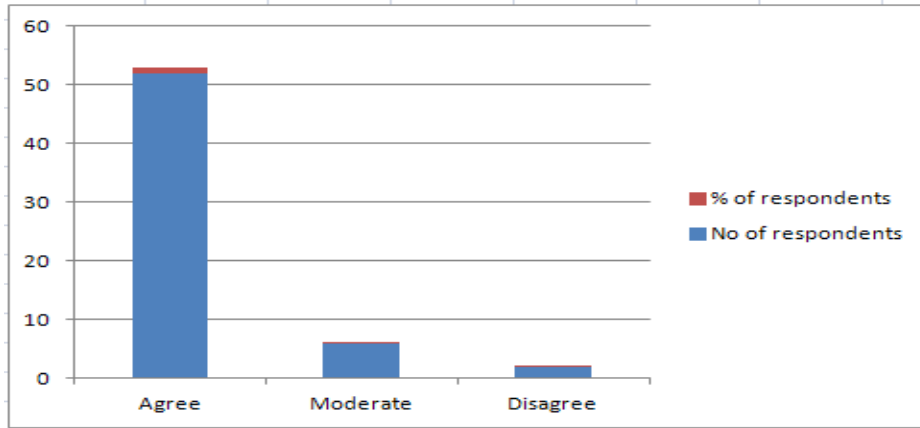


Figure 2: Encouragement of work

INTERPRETATION: Majority of the employees are perfectly clear about their job profile which is very good for the organization. But we should also note that some of the employees are not perfectly clear about their job profile and they also belong to the important staff of the organization which should be noted down by the organization. From responses we can conclude that 84% of the employees are perfectly clear about their job profile and 16% of the employees are not perfectly clear about their job profile.

3. Does your organization encourage you to work to the best of your abilities

Table3: Organization encourage you to work to the best of your abilities

Response	No of respondents	% of respondents
Agree	52	87%
Moderate	6	10%
Disagree	2	3%
Total	60	100%

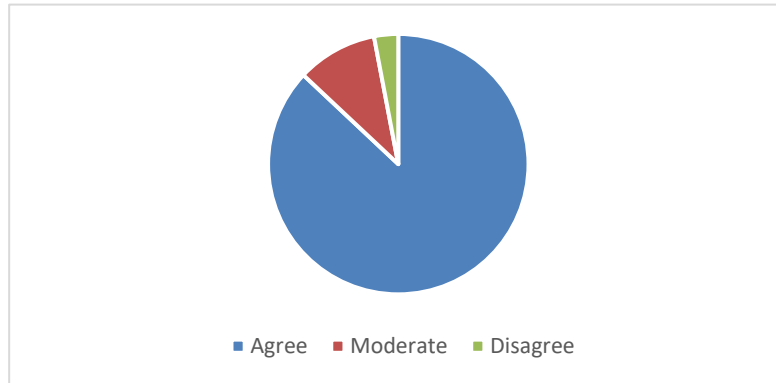


Figure 3: Organization encourage you to work to the best of your abilities.

INTERPRETATION:

Most of the employees feel that the organization encourage them to work to the best of their abilities. The above graph we can conclude that 86%of the employees agree that the organization encourages them to work to the best of their abilities and 10% feel moderate and 3%of the employees disagree.

4. Do you understand the link between your performance and your pay

Table 4: Link between your performance and pay

Response	No of respondents	% of respondents
Yes	52	87%
No	8	13%
Total	60	100%

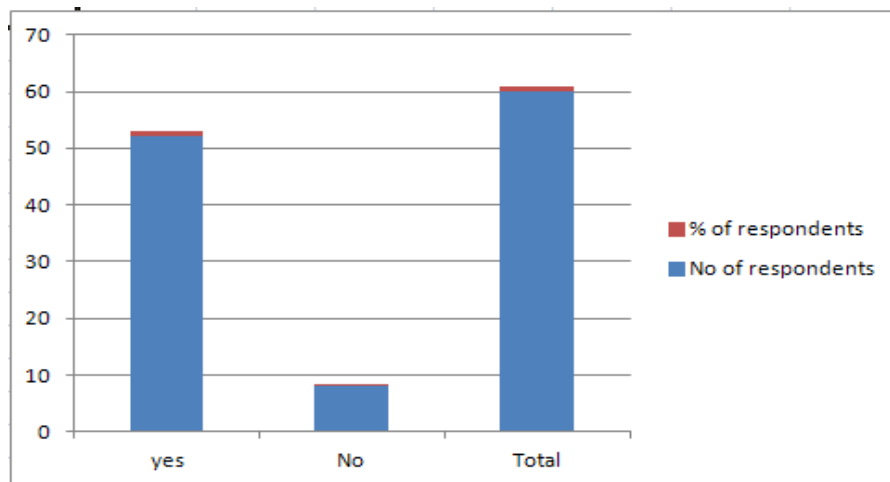


Figure 4: Link between your performance and pay

INTERPRETATION: A majority of the employees agree that they understand the link between the pay and their performance. The above graph concludes that 86.7% of the employees understand the link between the performance and their pay and 13.3% of the employees are not clear about the link.

5. Do you understand how your performance is evaluated

Table 5: Evaluation of performance

Response	No of respondents	% of respondents
Yes	53	88.3%
No	7	11.7%
Total	60	100%

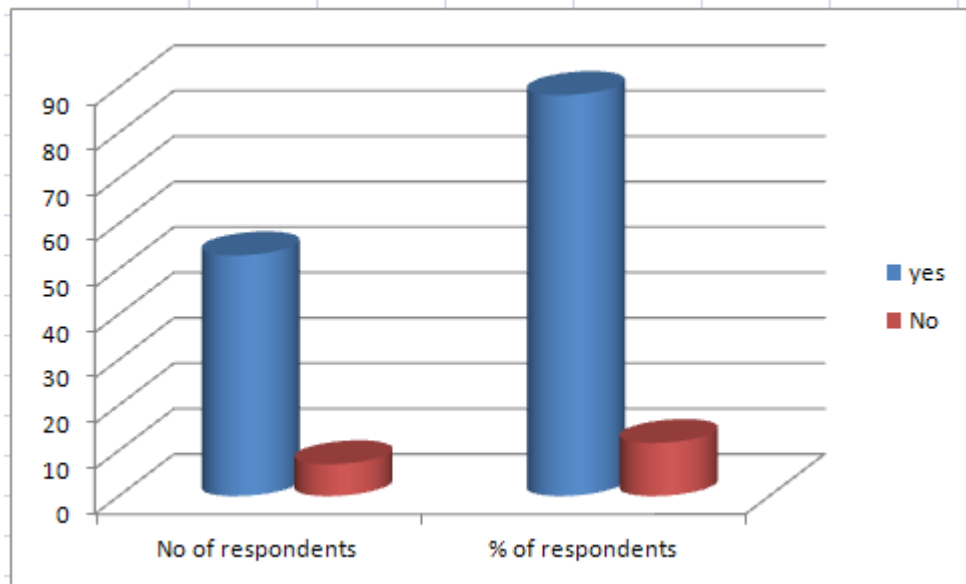


Figure 5: Evaluation of performance

Interpretation: Majority of the employees are aware so it is evident that the employees work the way the organization wants them to. The above chart shows that 83.3% of the employees are aware of the evaluation of their performance and 11.7% of the employees are not very clear about the evaluation.

6. Do you agree that your individual performance is important to the organization performance:

Table 6: Individual performance is important

Response	No of respondents	% of respondents
Strongly Agree	46	76.70%
Agree	14	23.30%
Disagree	0	0
Strongly Disagree	0	0
Total	60	100%

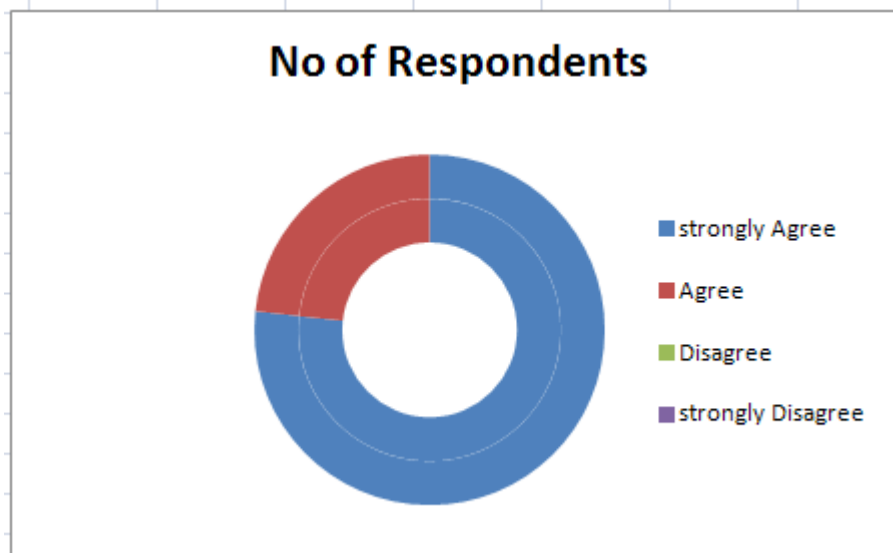


Figure 6: Individual performance is important

INTERPRETATION: Almost all the employees believe that their individual performance is required for organization development. The response given by the employee’s shows that 76.7% of the employees strongly agree that their individual performance is important .And 23.3% of the employees agree with it.

7. Do you feel the need to have training and development programs to improve your performance:

Table 7: Training and development program

Response	No of respondents	% of respondents
Yes	56	93.3%
No	4	6.7%
Total	60	100%

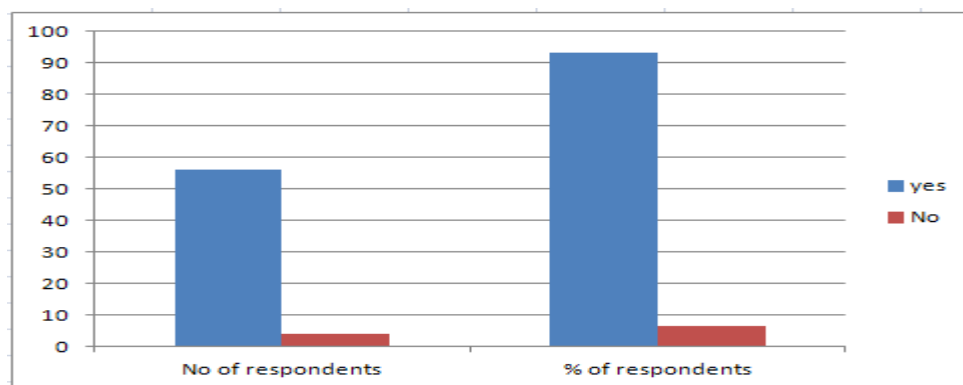


Figure 7: Training and development program

INTERPRETATION: Almost all the employees in the organization feel that training programs should be conducted in the organization. The analysis of the aforesaid responses indicates that 93.3% of the employees feel the need for the training and 6.7% of the employees feel that the need is not there.

FINDINGS AND CONCLUSIONS

In the light of the above discussion the following findings and conclusions are made.

- It is revealed that the executive are getting feedback on their performance though which they can review their performance. Sort on the problems and can overcome the difficulties.
- The management has a clear understanding about the problem that the workers are the best with moreover, they are eager to solve the problems of the workers as and when they arise.
- The management was giving requisite training to workers in the areas where they are weak.
- Workers awareness about the fact that the appraisals are one of the factors for promotion was cent percent.
- Performance management system is considered as a means that aim at identifying the areas of improvement, identifying areas of training and development setting performance target for future.
- The management desire having cordial relations with the work to hold mutual discussions.
- The performance appraisal system it exists as it exists now is properly worked out and appropriately evolved. This revealed from the opinion given by most of the employees.

SUGGESTIONS

- Based on the findings of the study and personal discussions held with various levels of employees and managers at different software companies, Hyderabad possible suggestions and recommendations are given:
- It is recommended that employees should be immediately communicated.
- The result of the appraisal particularly when they are negative.
- It is recommended that the supervisor should try to analyze the strengths and weaknesses of an employee and advise him on correcting the weakness.
- It is commended to counsel the employees appropriately regarding their strength and weaknesses and assist in developing them to realize their full potential in line with the company's goals.
- The top management is very much committed in implementing the performance management system as it is. The performance management system is consider as an essential tool for bridging gap between the top management and the executives it thus helps them to develop cordial relations and mutual understanding.
- It is recommended that the employees should be communicated information about his performance, again his acceptance of it and draw up a plan for future improvement, if necessary.
- It is recommended that the rater must be thoroughly well versed in the philosophy and of the rating system. Factor sales must be thoroughly defined, analyzed and discussed.

To conclude, it is imperative to immunize of the problems or hindrances to strengthen the sys

PERFORMANCE MANAGEMENT QUESTIONNAIRE

- 1) How is the method of performance management system to you:
 - a) Satisfactory
 - b) Not satisfactory
 - c) Moderate
- 2) Does your organization encourage you to work to the best of abilities:
 - a) Agree
 - b) Moderate
 - c) Disagree
- 3) Is your job profile (KRA'S) perfectly clear to you:
 - a) Yes
 - b) No
- 4) Do you understand the link between your performance and your pay:

