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PERFORMANCE MANAGEMENT

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ABSTRACT-There are millions of organizations in the world and more are getting registered every single day. These organizations can be public, private, small, big, functional, or committee depending on the founder of the organization. The basic purpose of all these organizations is to earn multiple times than the investment and make their mark in the world. In order to achieve their purpose, organizations place some selected goals and objectives for themselves and hire employees who can help them reach and achieve their objectives. These employees work day and night and try to achieve success. Organizations very carefully select these employees who are very skillful and experts in their area of expertise. Further, most of the organizations give their employees proper training and development to keep them on track. But, still this careful selection and proper training does not guarantee that the employees will perform their responsibilities effectively. In order to keep the employees motivated and enthused in the organization goals and objective, these employees should be given bonuses and rewards for their hard work. These rewards and bonuses should be specifically given on the basis of their performance so that the employees will compete with each other and excel in their skills. The harder and effective the employees perform, the more successful the organization will become. As there are millions of organizations present in the world, so they are always in competition with each other. Due to this competition, the organization demands to have effective performance management systems as they are essential for their employees as well as for their productivity and objectives.

Keywords- organization, employees, goals, competition and performance.

I. INTRODUCTION

The main aim of this chapter is to analyse the different viewpoints of various authors concerning the research topic "Performance Management Model of Employees Training". So, the researcher will further elaborate the topic in depth to study related issues to the subject. It will also help the researcher to analyse and compare different performance management models related to training of employees. Moreover, this chapter will explore the challenges and hardship faced both by employees and organisation during the implementation in day to day life in order to complete the research successfully. The range of the topic is wide; however, the researcher has gone through only key related topics such as technological change, retention of employees, diverse workforce, different performance management models, turbulent business environment and much more. Furthermore, the researcher has selected several organisations of real life to show how they apply performance management model and analyse its effects on the training of employees and how they work in order to achieve the organisation goals in this rapidly changing environment. In short, the topic has been deeply studied, explored and research to provide awareness and understanding.

What is Performance Management?

Every organization's foundation is laid on some pre-defined goals or objectives and a timeframe for achieving those objectives. Skilled employees are hired to work day and night to achieve and overcome these goals within the timeframe and with the resources available. So, some set of processes, techniques and practices are followed for accomplishing the organization's goals. These processes and practices that maintain and keep in check performances of the employees in line with the organization's objectives is called performance management.

It is neither an annual appraisal meeting nor a self-evaluation but the process of creating an entire work environment that enables people to perform the best of their abilities. It is strategic as well as operational. Every interaction with the employees becomes an opportunity to learn something due to performance management. Due to this, the talents of the employees are completely utilized in achieving organizational goals.

II. LITERATURE REVIEW

The main purpose of the performance management is to establish a workplace in which employees individually as well as a team takes responsibility for the continuous improvement of the organisation provided by an effective leadership (Armstrong, 2001). [1] Its key purpose is to keep the employees focused on their tasks which leads to achieving the final objectives of the organisation.

Alignment of individual and organisational goals is very necessary in performance management. Performance of an individual employee is closely related to the performance of the organisation. Performance management is the continuous process of analysing, evaluating, and rewarding the performance of the individuals and teams as well as aligning the individual goals with the goals of the organisation (Aguinis, 2009b). [2]

According to The Workplace Employment Relations Study, (2011), if the employees gets evaluated and paid on the basisof their performance, it can lead to encouraging the employees in putting more effort, recruit the most able employees, and provide wage flexibility. Workplaces using incentive payment schemes have remained widely constant since 2004, although the techniques of schemes have changed from one to another depending on which scheme works more efficiently. The percentage of incentive payment schemes providing workplaces rose from 43% in 2004 to 70% in 2011. The increase has been found in both public and private organisations. [3] Theoretically, it can be concluded that performance management models meets the needs of organisational strategies.

Performance management is always evolving due to the new experiments and inventions which opens new processes and techniques to be followed by an organisation to achieve their goals and objectives. Organisations are always on the look for new processes and models due to such rapid change in the environment. Because of this, one can say that there is not a single model that has been accepted as universal for performance management. Different experts have explained or tried to explain the model in their own ways.

In the "Performance management cycle", Mabey has represented five elements which should be implemented in an organisation to accomplish the set goals. These five elements are:

- Setting the objectives
- Performance measuring
- Feedback of the employees performance
- Based on the performance outcomes, a reward system
- Amendments to objectives and processes (Mabey et al, 1999) [4]

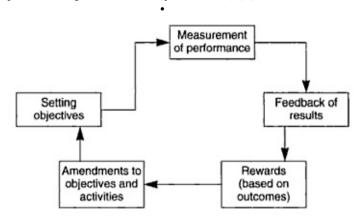


Figure 1 - Performance Management Cycle

Mintzberg's structuring of organisation's theory (1979) is important to establish how the business is structured in order to determine what they need to change to render it more useful to the needs of the expansion. Mintzberg's organisation theory consists of the following factors:

- Strategic Apex: Management teams which must guarantee that the objectives are in line with the set goals.
- Operating Core: Preparing all the processes that are required within the business
- Techno Structure: Key individuals working in key functions
- Support Staff: Do not influence the core processes but add efficiency and effectiveness of other components of the organisation. [5]

Major's accounts is an accounting firm in the United Kingdom which offers services like accounting, payroll, bookkeeping, and consultancy. It may be revealed that the business can be translated using the models, after all, they were created from experiences of successful or unsuccessful businesses in the past.

When it first start trading, in order be able to meet its demands and goals, its main focus was on the quality of work so that the firm can expand organically as well as at a good healthy pace. The original business strategy was to get as many clients as possible by providing high quality services.

The firm was doing good and growing at a good pace but not as to meet with the established goals. Therefore the owner had to identify a niche in the market and go after it. So, the firm relocated its place in 2011, and after that, the growth increased at a pace that was not foreseen or expected by anyone (Bajrakurtaj, 2016). [6]

According to (Seppälä and Cameron, 2015), the environment of the work place should always be kept positive and as relaxed as possible because a healthy work environment will always motivate the employees and will lead to dramatic benefits for employers, employees and the whole organisation as well. [7]

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According to (Nikandrou, Apospori and Papalexandris, 2008), in this modern business world, it is all about employee competences and qualities which include knowledge, skills and thoughts that lead to an organisation's survival, development and eventually achieving its goals and objectives. Therefore, employees should be rewarded with potential benefits as employee has become the only way for organisation to success and maintains their competitive advantage in the marketplace. [8]

Apple, one of the leading company in the world, wants to push everyone to do more to help make the firm more competitive. Due to this, to ensure that every employee is working as effectively as possible, the firm has introduced a performance management system. Apple measures its employee performance in three different categories: (a) Teamwork, (b) Innovation and (c) Results. On this basis, apple have then three levels of feedback: (1) Needs improvement, (2), Met expectations and (3), Exceeded expectations. [9]

Performance evaluations provide employers of an organisation to measure their employee' contributions to the organisation and these evaluation are very essential to the growth and development of a powerful and successful firm. Several successful organisation such as GE, Deloitte, and IBM have left the traditional annual review system behind already and have introduced technological solutions which evaluates performances of the employees on regular basis without negotiating on employee engagement levels. Largest media-entertaining provider, Netflix, also does not measures its employees on annual basis and Google has also changed the way it rewards the higher performers. [10]

III. CONCLUSION

The above chapter reviews literature on "Performance Management Models of Employees training" and it has been highly emphasized by various different authors and researchers. In today's highly competitive and dynamic business environment performance management plays crucial role due to ever changing technology. The research shows that evaluating employees based on their performance really motivates them which is actually a first solid step towards organisation success. Clients are very important as they are the ones due to which the organisation is growing and profiting but never leave out the employees. The next most important stakeholder in the organisation are the employees of that organisation. They make the ends meet. It is analysed that the managers want to ensure that the employees are satisfied with their responsibilities and proper training should be given to them from time to time as well as motivate them with performance related pay and potential employee benefits.

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