

A STUDY ON PERFORMANCE MANAGEMENT THROUGH CASE STUDY –ANALYSIS

Suresh G

HOD Dept of MBA B IT Institute Of Technology,

Dr .T. Narayanareddy,

Asst Prof and Head of the Department, MBA, JNTU Ananatapuramu

Nischitha H,

Asst Prof, SIMS, Bangalore.

Introduction:

The **Performance management** is the systematic process by which an agency involves its employees, as individuals and members of a group, in improving organizational effectiveness in the accomplishment of agency mission and goals. This is a long process of getting right people to the right Job by which managers and employees work together to plan, monitor and review an employee's work objectives and overall contribution to the organization.

This is one of the systematic processes at each level of Organization, from individuals, teams and departments. It is the systematic description of an employee's strength and weakness. This system can differ from different sectors of the organization.

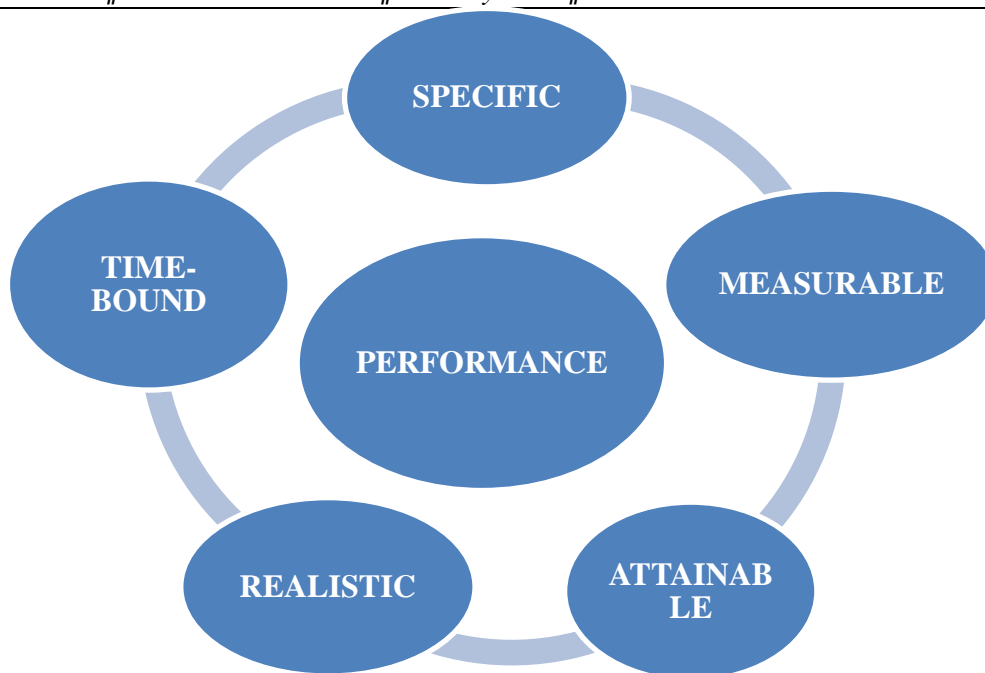
In this we shall study how can we effectively Review the Performance of the employee and he can be a Part of a long Career Plan.

OBJECTIVE OF PERFORMANCE MANAGEMENT

- ✓ To Create an Awareness of Performance to Employee.
- ✓ To Align to Organization Strategic Direction and Culture
- ✓ To Understand the Easy Method of Evaluation of performance
- ✓ To attain the Employee Satisfaction

INDICATORS TO MEET THE OBJECTIVE

- ✚ **Specific**
Specify clearly what is to be done, when it is to be done, who is to accomplish it and how much is to be accomplished.
- ✚ **Measurable**
Ask questions such as: How much? How many? How will I know when it is accomplished? Multiple measures should be used if possible, for example, quantity, quality, time frame and cost.
- ✚ **Attainable**
Assure there is reasonable path to achievement and feasible odds that you will get there.
- ✚ **Realistic**
The objective needs should match the level of complexity with the employee's experience and capability and no insurmountable forces outside the control of the employee should hinder its accomplishment.
- ✚ **Time-bound**
Be clear about the time frame in which performance objectives are to be achieved. In most cases, objectives are to be completed by the end of the performance review period.



ADVANTAGES OF PERFORMANCE MANAGEMENT

Performance Based Conversations

Managers get busy with day-to-day responsibilities and often neglect the necessary interactions with staff that provide the opportunity to coach and offer work related feedback.

performance management process forces managers to discuss performance issues with employees. It is this consistent coaching that affects changed behaviors and employee development.

Targeted Staff Development

All employees are on a development journey and it is the organization's responsibility to be preparing them for increased responsibility.

If done well, an effective performance management system can help to identify employee developmental opportunities and can be an important part of a succession planning process.

Encouragement to Staff

Performance appraisals should be a celebration of all the wonderful things an employee does over the course of a year and should be an encouragement to staff. There should be no surprises if issues are addressed as they arise and not held until the annual review.

The trick to positive appraisals is to focus as much on what the employee is doing well while gently course correcting undesired behaviors.

Rewards Staff for a Job Well Done

When pay increases and/or bonuses are tied to the performance appraisal process, staff can see a direct correlation between performance and financial rewards. This motivates and encourages employees to perform at higher levels.

Under-performers Identified and Eliminated

As hard as we try, it is inevitable that some employees just won't cut the mustard as they say. An effective performance appraisal process can help identify and document underperformers, allowing for a smooth transition if the relationship needs to be terminated.

Documented History of Employee Performance

It is very important that all organizations keep a performance record on all employees. This is a document that should be kept in the employee's HR file. The goal is to maintain a historical record of an employee's performance and development journey.

Allows for Employee Growth

Motivated employees value structure, development and a plan for growth. An effective performance management system can help an employee reach their full potential which can be a positive experience for both the employee and manager. A good manager takes pride in watching an employee grow and develop professionally.

Organizations should take a global look at their performance management system and have very objective goals that are tied to strategic initiatives and the performance management process. Successful organizations have learned the secret to this. And while not always perfect, striving to constantly improve the process can be one of the best ways to help organizations achieve their Mission.

DISADVANTAGES OF PERFORMANCE MANAGEMENT

Time Consuming

It is recommended that a manager spend about an hour per employee writing performance appraisals and depending on the number of people being evaluated, it can take hours to write the department's PA but also hours meeting with staff to review the PA.

Discouragement

If the process is not a pleasant experience, it has the potential to discourage staff. The process needs to be one of encouragement, positive reinforcement and a celebration of a year's worth of accomplishments. It is critical that managers document not only issues that need to be corrected, but also the positive things an employee does throughout the course of a year, and both should be discussed during a PA.

Inconsistent Message

If a manager does not keep notes and accurate records of employee behavior, they may not be successful in sending a consistent message to the employee. We all struggle with memory with as busy as we all are so it is critical to document issues (both positive and negative) when it is fresh in our minds so we have it to review with the employee at performance appraisal time.

Biases

It is difficult to keep biases out of the PA process and it takes a very structured, objective process and a mature manager to remain unbiased through the process. Performance appraisal rater errors are common for managers who assess performance so understanding natural biases is an important aspect to fair evaluations.

RESEARCH DESIGN CASE STUDY ANALYSIS PERFORMANCE MANAGEMENT SYSTEM –BharatiAirtel



The Performance appraisal form of each employee passes through a number of heads and needs to be signed and rechecked by a number of VP's, which may create lot of confusion and waste large amount of time. The appraisal comprises of lot of comments and remarks by various heads and VP's rather than simple grading on the basis of points, which is not so practical and convenient in evaluating. The appraisal system is done yearly and not quarterly. Rewards based on appraisal system are given only occasionally which hampers the motivation of the employees. Employees don't get feedbacks properly as a result they can't work properly on it.

Broader HRD base: One other thing to be noted is that there is only one HRD office for the whole organization, which is not sufficient enough. The company should have a few more of these department controls set up to make it reachable to every employee of the organization. The appraisal system should be done on half yearly basis that is at least one appraisal system in every 6 months. This helps the employees to keep a track of

their own performance also. The rewards based on appraisal system should be given often and regularly; this gives motivation to the employees. The rewards should be given either in monetary basis or reward basis. Appraisal should be done by the very next boss (e.g., Sales manager should appraise the business executive who are working under them only). If the VP's do the appraisal system in many cases it is found that they are not fully aware of the person's performance.

PERFORMANCE MANAGEMENT SYSTEM – XEROX



The Initial Performance Appraisal System was not successful as it made the employees and its system was leaving discouraged and disgruntled. Xerox recognized this problem and developed a new system to eliminate it.

The Old system encompassed seven principles

- The appraisal occurred once a year.
- It required employees to document their accomplishments.
- The manager would assess these accomplishments in writing and assign numerical ratings
- The appraisal included a summary written appraisal and a rating from 1 (unsatisfactory) to 5 (exceptional).
- The ratings were on a forced distribution, controlled at the 3 level or below.
- Merit increases were tied to the summary rating level.
- Merit increase information and performance appraisals occurred in one session

New System Appraisal in XEROX

First Stage

To Meet the employees at the beginning of the year and make a written agreement on the goals, objectives, plans and tasks for the year. The Standards of performance are measurable, attainable and specific terms.

Second Stage

In the mid of the year discussion on the progress towards objective and performance strengths and weakness are done. They also sign an objective sheet indicating the progress.

Third Stage

This stage of discussion happens in the end of the year. There will be discussion on the Objectives met, positive and Negative Feedback with further improvements. This enhances the employee to know the merit raise amount as opposed to the summary rank, which tells the employee very little.

TATA MOTORS APPRAISAL SYSTEM



Initially Tata Motors followed annual appraisal whereby the incentives are not enough to motivate the sales department, which generates major revenues for the organization.

Today, the TATA Motors have come up with Half Yearly appraisal system. In this activity the employee gets feedback twice a year which gives him/her a chance to relook at his/her approach to working. The employee gets to select his/her KRA Key Result Area every quarter and can assess own performance against the parameters. The rewards could be Designation hike and monetary increments. The Designation hike are given annually proportional to effort of the individual team and the department.

To meet the new demands of the business and to motivate the employees for higher performance, they have started linking a part of the salary increase to individual performance measures as variable pay. At present, between 6 to 8 percent of the compensation is variable pay, which they are planning to increase over a period of time. Executives are categorized in levels based on their performances in a relative ranking and based on outcome performance-linked pay is awarded.

MCDONALDS APPRAISAL SYSTEM



The Strategy adopted by McDonalds for better results would be on the following strategies

1. Driving a High Performance Culture
 - a. differentiate performance at the individual level
 - b. Support managers in giving their employees open and honest feedback
 - c. Tie rewards to the highest performance
2. Align individual performance goals with the business
3. Performance Evaluations based on what gets done and how it gets done
4. Process for identifying employees ready for advancement
5. Distribution of rewards based on individual performance
6. Mid-Year performance review.
7. Promote ethical and responsible decision making
8. Remunerate fairly and responsibly
9. Recognize and manage risk
10. Encourage enhanced Performance

KFC APPRAISAL SYSTEM

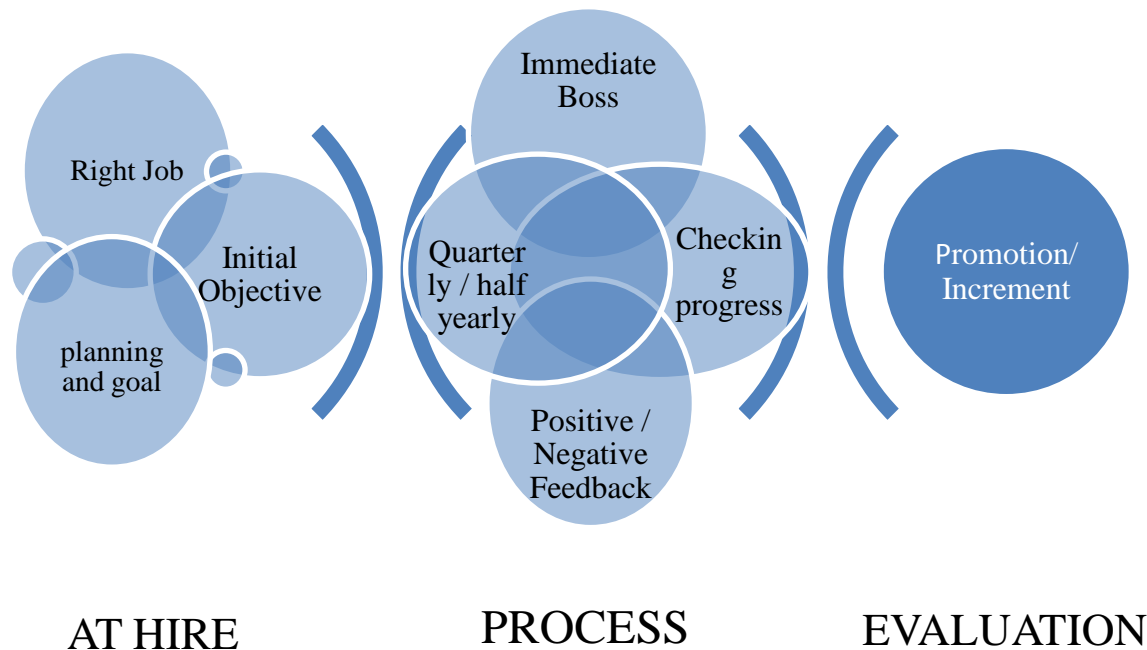


Traditionally Performance Appraisal of employees has been viewed as the psychological test bed for employees that comprises of critic ratings, decision making on rewards and recognitions, deciding amount of salary increments, deciding continuity in company, deciding promotions, measuring the alignment with departmental and organizational goals.

KFC followed Employee Performance Appraisal System EPAS a mechanism of longitudinal Performance. It results in effective bonding between supervisor and subordinates by virtue of open discussion, appraising strengths and weakness of subordinates and the work systems in which they operate, identification of trainings requirements ,awareness of future goals, confidence boosting, rewards and recognitions, motivation, etc.

The end result can be boost in organizational productivity and even enhancement of the revenues and profits.

MODEL ON PERFORMANCE MANAGEMENT --- THROUGH CASE STUDY ANALYSIS



EXPLANATION

AT HIRE

- ❖ Right Job – When an employee is hired he should be placed on to a right job. This helps him to match his skills to the job requirements. This creates confidence and interest to work in the organization. The employee receives job satisfaction due to Right person in the Right Job.
- ❖ Initial Objective – The employee should be defined with the Objective. This will help the employee to focus more on the job and work towards the enhancement of their career development.
- ❖ Planning and Goal – A Defined Objective lets the employee to be more focused and plan their goals through proper planning.

PROCESS

- ❖ Immediate Boss – Every Employee work through different process and under supervision. The supervision can happen by the process Expert,peer, immediate Supervisor, process Manager or the people Manager. **WHO IS THE IMMEDIATE BOSS?** This needs to pre– defined.
- ❖ Checking progress –The immediate boss should take this responsibility of evaluating the performance as they work close the employees which gives a right rating.
- ❖ Quarterly / Half Yearly Review – An Employee should be given enough time to understand and perform the designed job. Over a period of time he should be judged on the Target achieved over the set standards which makes the rating easier and a fair judgment can be given.
- ❖ Positive and Negative Feedback – The Feedback given to the employee should be both positive and Negative Feedback. A positive feedback will encourage the employee to work smarter and look for opportunities of Growth or Incentives. Also the Negative Feedback should not demotivate but should be guided for better performance.

EVALUATION

- ❖ Promotion/ Increment – The employee is set with pre–defined objective in every level of performance. He/She can be chosen for the increment if he has achieved his target against the standard. On the basis of his consistent performance and Behavioralanalysis he can chose for Promotion

METHODS OF PERFORMANCE APPRAISAL

❖ **ESSAY APPRAISAL**

In its simplest form, this technique asks the rater to write a paragraph or more covering an individual's strengths, weaknesses, potential, and so on. In most selection situations, particularly those involving professional, sales, or managerial positions, essay appraisals from former employers, teachers, or associates carry significant weight.

❖ **GRAPHIC RATING SCALE**

This technique may not yield the depth of an essay appraisal, but it is more consistent and reliable. Typically, a graphic scale assesses a person on the quality and quantity of his work (she outstanding, above average, average, or unsatisfactory?) and on a variety of other factors that varies with the job but usually includes personal traits like reliability and cooperation. It may also include specific performance items like oral and written communication.

❖ **FIELD REVIEW**

The field review is one of several techniques for doing this. A member of the personnel or central administrative staff meets with small groups of raters from each supervisory unit and goes over each employees rating with them to (a) identify areas of inter-rater disagreement, (b) help the group arrive at a consensus, and (c) determine that each rater conceives the standards similarly.

❖ **FORCED-CHOICE RATING**

Like the field review, this technique was developed to reduce bias and establish objective standards of comparison between individuals, but it does not involve the intervention of a third party.

❖ **MANAGEMENT BY OBJECTIVES**

To avoid, or to deal with, the feeling that they are being judged by unfairly high standards, employees in some organizations are being asked to set - or help set - their own performance goals. Within the past five or six years, MBO has become something of a fad and is so familiar to most managers that I will not dwell on it here.

❖ **RANKING METHODS**

For comparative purposes, particularly when it is necessary to compare people who work for different supervisors, individual statements, ratings, or appraisal forms are not particularly useful. Instead, it is necessary to recognize that comparisons involve an overall subjective judgment to which a host of additional facts and impressions must somehow be added. There is no single form or way to do this.

❖ **360-DEGREE FEEDBACK MECHANISM**

Organizations those are happy with the 360-degree component of their performance management systems in order to identify the following positive features of the process. These features will manifest themselves in well-managed, well-integrated 360-degree feedback processes:

- Provides well-rounded feedback from peers, reporting staff, co-workers, and supervisors. This can be a definite improvement over feedback from a single individual.
- Multi-rater feedback makes team members more accountable to each other as they share the knowledge that they will provide input on each member's performance.

360-degree feedback is one of the best methods for understanding personal and organizational developmental needs.

□ Additionally, many employees feel 360-degree feedback is more accurate, more reflective of their performance, and more validating than prior feedback from the supervisor alone.

□ When feedback comes from a number of individuals in various job functions, discrimination because of race, age, gender, and so on, is reduced;

□ Especially in feedback processes that involve the internal or external customers, each person receives valuable feedback about the quality of the product or services.

CONCLUSION

The study of my paper defines that At any stage of Performance we need to Define the Objective of the job. Also understand the employee level of performance in context to which stage and which process he belongs to. There has to be right scale of measurements with the set Standards. All in the context of Case Study analysis there has to be a regular performance review could be Quarterly or Half yearly which enhances to the right delivery.

The Measurement Technique should be adopted according to the Kind of Industry or Service provider.

“Set Targets are always achievable provided it’s rightly predefined and planned with a right road Map”

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