Performance Management System

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Abstract - Performance management as described here refers to a term coined by Dr. Aubrey C. Daniels in late 1970s to describe a technology for managing both results and behavior. A critical component of successful performance management implementation is that performers gain excellence in their own performance developing habit strength that can be applied across. Well designed performance process will do just that teach managers and supervisors, all leaders how to bring out the best in people including themselves through a set of clear steps that appear easy on the surface. A key aspect of performance management is performance measurement, and it is a forward looking process. It is a leading indicator of performance management because it drives a system or organization towards desired future goals and provides solves management.

Keywords - Performance Management (PM), Performance Measurement

I. EXECUTIVE SUMMARY

Performance Management plays an important role in the area of global economy and considered as an essential tool for survival of organizations in the competitive periphery. The main purpose of performance management is to enhance quality, reduce cost and converge processes in new ways to achieve goals and respond to challenges in the global market. This paper discusses that if management is the process of achieving goals through specific means in specific time with a set of predetermined resources than to achieve this level of management measurement of performance is essential. The idea of the performance management with the performance measurement have been the backbone of private enterprise for decades. This study focuses on the extent of usage of performance management and its impact on the performance of the organization.

II. INTRODUCTION

Performance Management refers to a term coined in 1970s describe a technology. OBM is an international organization that follows the behavior analytic principles embedded in performance management. Performance management originated in the laboratory findings on learning first identified by James B Watson and then later expanding to focus exclusive on what is called an operant. This brand of psychology is called behavior analysis and has its own organization called International Association of Behavior Analysis (I-ABA). The field has practitioners and scientists who include element of both operant and classical or conditioning theory in their evolving approach. This PM approach is used most often in the workplace but applies wherever people interact as schools, churches community meetings, sports team, health setting, govt agencies and even political settings. PM principles are needed wherever in the world people interact with their environment to produce desired effects. This management process can involve self management or the formal chains of management typically found in most of the organizations where people work in groups or teams. PM helps in achieving the best possible results in given period of time.

III. WHAT IS PERFORMANCE MANAGEMENT? WHY DO IT?

Managers of any sports team need to know score so that they can assess whether changes are needed for the team to win. Managers of public agencies and private organizations, no profit organizations need similar information’s which helps in achieving the targeted goals to meet the need of the organizations. Performance Management has many meanings but it is defined as a regular measurement of results and efficiency of services or programs. Regular measurement of results or outcomes of progress towards specified outcomes is a vital component of any effort at managing for results. If the right things are not measured or measured inaccurately those using the data will be misused and bad decisions will likely to follow, as the old saying puts it.

IV. “GARBAGE IN GARBAGE OUT”.

A major use of performance management is to establish accountability, so citizens and elected officials can assess what programs have achieved with the funds provided. Another major use is to help programs develop and then justify budget proposals. It is as important to help managers through out the year to run their organizations according to the need of the public. Performance management in academic institutions played a vital and eminent role for their smooth running. Higher authorities need performance information which helps them to decide how to increase their ability to get the job done with what ever resources they have and to provide evidence to the decision makers that helps in making the policies and strategies for their overall development.

A critical component of the successful performance management is implementation so that the performers gain excellence in their own performance developing habit strength that can be applied across similar or different settings for effective problem solving and work habits. Whether it is learning highly technical skills in a nuclear facility or learning the foundation of good customer service. The principles that are central to performance management are derived from the science of behavior analysis. This term performance is often thought to refer to structures and

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process of human resource management, well designed performance management process will just do that teach managers and supervisors and all leaders how to bring out the best in people including themselves through a set of clear steps that appear easy on service.

A key aspect of performance management is the performance measurement. Whatever the process being driven with performance management, clear and concise measures are required in order to properly define desired goals. Most performance measurement fails to achieve the desired goals because goal measurement is ambiguous, not specific enough and poorly communicated. In the case of business the typical approach is to create “Smart Goals”, are those which are specific, measurable, achievable, relevant and timely. It is a forward looking process taking frequent measures as work occurs and responding to small forward. Performance measurement is a leading indicator of performance measurement because it drives a system or organization towards desired future goals and provides helpful management.

V. Which Organizations Are Suitable For Performance Management
Managing of results applies to all agencies that provides services to the public whether the agency has ample or highly limited resources is small or large is public or private or is in a developing or developed country so performance management is important for all types of organizations because it helps in achieving best possible results in a specific period of time and also with the help of team efforts which helps in increasing the efficiency of the organization.

VI. Which Services Are Suitable For Performance Management
The procedures and issues of performance measurement are applicable to most public and private services ranging from public safety programs, public works programs, human service programs etc., and outcomes of these support services occur primarily within an organization and regular tracking it’s usually difficult. The regular tracking of performance measurement may not readily applicable to activities whose important outcomes do not occur for years.

VII. Role Of Performance Management In Today’s Era
Management under this PM definition is about arranging the conditions of the workplace for individual, group, unit, division, regional, and corporate success. Management requires that systems, processes and structures are arranged carefully according to the laws of behavior to support the necessary direction, skills, resources, and motivation people need to do a job well, whether at the executive level or at the shop floor, in all types of industries and across all kinds of business drivers of success (e.g., merger/acquisitions, managing culture during rapid change, strategic initiatives turned into solid implementations, ensuring safe practices while meeting objectives, reducing waste, and so on). Performance Management is about individual managers truly understanding how to ensure the development of skills and provide sufficient training and coaching resources so that each manager can be fairly measured by the success of his or her direct reports, not by business results only or on kindness factors.

How well an organization does in applying the scientific elements of PM is found in the success of its employees in serving customer needs, meeting their targets, producing desired impact and creating a culture of respect and commitment, with a focus on active learning, inclusion, and shaping—a culture where the predominate method of building habits of success involving knowing when and how to “carve mistakes in sand and success in stone” (Benjamin Franklin quote). PM companies that understand the technology create high and steady rates of discretionary effort by all—they model ‘best practices’ and take measures on their work from customers and employees, using the feedback openly to make improvements.

Performance management has a wide variety of applications such as employee performance, software performance, business or corporate performance and so on. [Bringing Out the Best in People], 2004, Performance Management Press. In the context of Human Resources, performance management refers to the ongoing process of setting goals, self-assessment, manager assessment, peer-assessment (also called 360 assessments), coaching, development planning, and evaluation. Research has shown that this process, which is widely used in business (but often called performance appraisal), has two forms: competitive assessment (where employees are rigorously compared against each other, and coaching & development (where employees are evaluated against their own goals and capabilities).

PM is often confused with performance appraisal, the latter only forming the final part of the performance management cycle. Performance appraisal is a backwards looking process of performance, measuring what happened in the past.

VIII. Limitations Of Performance Measurement
All those using performance measurement information, whether inside or outside government or in a private agency, should understand what it can and cannot do and keep their expectations realistic. Performance measurement has three primary limitations.

A. Performance Data Do Not, by Themselves, Tell Why the Outcomes Occurred
In other words, performance data do not reveal the extent to which the program caused the measured results. This point is an important one. The analogy to managers of sports teams helps here. The manager needs to know the running score. If the team is losing, whether an individual game or over the whole season, the manager and other team officials may need to change the game plan. But the score does not tell the officials why the score is the way it is. Nor does the running score tell what specifically needs to be changed to improve the score. For that information, the managers, coaches, and other team officials need to seek explanations before they act.

It is the same for service delivery. Managers and other officials need to track results and use that information to help guide them about what, if any, future actions to take.
Performance measurement is designed primarily to provide data on outcomes (the score). But to be most helpful (as discussed in chapters 9 and 10), performance measurement systems also need to have built into them opportunities to analyze the details of program performance and steps to seek explanations for the outcome data such systems produce. This limitation raises a major issue in performance measurement that generates controversy: accountability. What should managers be held accountable for? In the past, the government of New Zealand had taken the view that responsibility for program outcomes rested solely with officials at the policymaking level, thus removing all accountability for outcomes from the operating departments. Important outcomes are seldom, if ever, fully under the control of a particular agency (public or private). Nevertheless, the agency and its personnel do share responsibility for producing those outcomes. As long as a program has any role in delivering a service intended to help produce particular outcomes, the managers of that program—and its personnel—have a responsibility to track the relevant outcomes and use that information to help improve results.

Agency personnel and other officials are often too ready to believe they lack responsibility over outcomes—in part out of fear that they will be blamed unfairly for poorer-than-desired outcomes. This fear is reasonable. However, recognizing shared responsibility helps agencies create innovative solutions that can improve service outcomes, even in the face of highly limited resources. And this understanding can lead to more use of performance partnerships among programs, agencies, levels of government, and between the private and public sectors.

B. Some Outcomes Cannot Be Measured Directly
The classic example is success in preventing undesirable events, such as prevention of crime or reduction of illicit drug use. In such cases, surrogates can usually be used, such as indicators that reflect trends over time in the number of incidents that were not prevented. This is not ideal, but this is the real world.

C. Performance Measurement Provides Just Part of the Information Managers and Elected Officials Need to Make Decisions
Performance measurement does not replace the need for expenditure data or political judgments, nor does it replace the need for common sense, good management, leadership, and creativity. A major purpose of performance measurement is to raise questions. It seldom, if ever, provides answers by itself about what should be done. Exhibit 1-1 presents common objections from agencies and programs required to implement an outcome-based performance measurement process. Each objection is an element for concern. Subsequent chapters will address most of these concerns and hopefully will at least allay them.

D. Outcome-Focused Efficiency Measurement
In performance measurement, efficiency is usually defined as the ratio of the amount of input (usually monetary expenditures or amount of employee time) to the amount of product created by that input. Unit-cost ratios that relate expenditures to physical outputs have been common in public agencies for years. The trouble with input-to-output ratios is they can be improved by reducing the quality of the output. If outcomes are tracked, a considerably more accurate indicator of true efficiency becomes possible. For example, “cost per client served” is an output-based efficiency indicator. Efficiency appears to increase when a program spends less per client, even if the condition of the typical client deteriorates. “Cost per client whose condition improved after services” is an outcome-focused efficiency indicator. It gives a much more meaningful picture of a program’s real accomplishments.

Take the example of a program that holds regular sessions to help customers stop smoking. “Cost per session held” is considerably under the control of the program. “Cost per customer who quits smoking” is not, because whether someone quits probably also depends on a host of other factors besides the stop-smoking sessions. But is “cost per session held” a true measure of efficiency? Officials and citizens are considerably more likely concerned with efficiency in producing the desired outcome. Even if a causal link cannot be firmly drawn, the program still has some responsibility for affecting the desired outcome. An outcome-based indicator provides more insight into how much the program is helping accomplish that objective.

IX. CONCLUSION
From the above discussion it can be concluded that Performance management played an important role in today’s world. Performance measurement is regarded as a backbone of the organizations no matter whether the organization is large scale or small scale. “Performance management is a pivot around which all management clusters”.

No business organization can survive in this competitive market without using the tool of performance management with performance measurement.

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