



Performance Management System And Employee Feedback Mechanism

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Abstract

The ever-changing global market makes it impossible to accurately quantify market features due to their volatility. Humans are the most precious assets in today's difficult business environment. Human resources attitudes might change based on various experiences and events. Measuring Human Resources performance is crucial for rewarding, assessing, and acquiring information. The Performance Appraisal System encompasses innovative tools and methodologies for assessing human productivity and performance based on needed capabilities, cognition, and experience. No one Performance Appraisal method can guarantee the accuracy of its outcomes. To ensure impartiality, choose the best-fit approach from trending options. Performance appraisals are a continual procedure that monitors employees' work throughout the year. At this point, it's important to pick acceptable assessment methodologies, including personal observation, statistical reports, and written reports, to assess performance. This document explains how PAS is used in Indian IT businesses.

Effective performance management is crucial for both employee and corporate success. The purpose of this study was to assess the impact of a performance management system on employee performance. This study employed all three stages of the Performance Management System (development, management, and reward) as independent variables to establish a replicable research model for future use. This research identifies common flaws in the Performance Management System, including its three stages and their impact on employee performance.

Keywords: *Performance Appraisal, Feedback Mechanism, Employee Development, Self-improvement, Productivity, Motivation.*

I. INTRODUCTION

The Department of Commerce uses performance management to improve the efficacy of its personnel in achieving its mission and goals, both individually and collectively. The process of aligning an organization's purpose, goals, and objectives with existing procedures, priorities, and resources (e.g. labor, materials). An executive administrative framework is the ongoing process of defining and allocating particular tasks and duties, as well as reviewing performance and needs between the boss (administrator) and subordinates. Along with the structure and assets, it addresses the association's shared aims and objectives, as well as its representatives. It is a channel that achieves certain objectives while also improving corporate operations using a variety of strategies and procedures. This technique detects competence, ability, and knowledge gaps that may impact the boss' tasks, performance objectives, and evaluation of subordinates' requirements. Along with the structure and assets, it addresses the association, office, and representatives' common aims and objectives. It is a channel that achieves certain objectives while also improving corporate operations using a variety of strategies and procedures. This may be used by either a single department or the full corporation. It focuses on evaluating performance standards in relation to set

goals and objectives.

SCOPE

This research will look on the influence and performance of employees in the workplace. This study aims to assess the potential for improved working conditions and employee development. This involves understanding the function of human resource management in the Performance Management System and how to improve employee performance within a firm.

OBJECTIVES OF THE STUDY

To identify the variables that motivate employees to be more productive.

- Identify variables that hinder employees from working under certain conditions.
- Understand how the Performance Management System may help achieve corporate goals.
- Investigate how HRM contributes to effective employee assessment.
- Assessing growth and obtaining feedback on outcomes.
- Suggest steps to improve the work environment through performance appraisals.

RESEARCH METHODOLOGY

The study relies on secondary data and is descriptive in nature. Data gathered from many publications, papers, and articles.

II. EMPLOYMENT PERFORMANCE MANAGEMENT SYSTEM

The concept of controlling employee performance is not new. Despite advancements in performance management, some firms still use outdated ways to measure employee performance. This article will provide a brief overview of the history of performance management to better understand the factors that have influenced change over time and how modern businesses have implemented performance management systems. Performance management became increasingly important as business and industry expanded in the 1920s. Businesses prioritized operational effectiveness to increase productivity. During this period, employee growth and engagement were not prioritized as much as expected.

Personality-based performance assessment systems began to gain popularity in the 1950s. Initially, employee performance was judged primarily on attributes such as honesty, loyalty, and job knowledge. However, it was later shown that these factors had little correlation with productivity at work. As a result, employers began looking into more effective techniques of employee evaluation. Annual formal appraisals began to emphasize future potential in the 1960s. The concept of "management by objectives" became popular as goals and objectives were prioritized. In the 1970s, several lawsuits were brought alleging subjectivity and prejudice in performance evaluations, prompting the use of psychometrics and rating scales in performance management. Multi-rater feedback, often known as 360-degree feedback, became popular throughout the 1980s and 1990s. However, it is worth noting that several corporations employed it before to the 1980s, with one of the first being in the 1950s. The emphasis on employee engagement and motivation shifted over the 1990s and early 21st century. Annual performance evaluations are becoming less popular in corporations in favor of continuous feedback-based techniques.

III. PURPOSE OF IMPLEMENTING PERFORMANCE MANAGEMENT SYSTEM

Implementing a systematic performance management system helps organizations manage employee performance, which is a critical aim. These process servers in the firm fulfill six important functions:

1. **Strategic:** A performance management system should align with the organization's overall goals, before focusing on departmental or individual goals. All actions made by departments or individuals should align with the company's strategic goals.
2. **Administrative:** The performance management system determines promotions, demotions, salary raises, transfers, and terminations. It helps the company identify personnel who are performing well,

not well, or below averagely. This is the consequence of the staff members' competency and level of skill. Additionally, it clearly defines the administrative stance and supports management decisions.

3. **Communication** - It is an effective way to tell employees about their goals, responsibilities, projects, and performance expectations. Additionally, it helps identify areas where employees might improve their performance. In essence, it provides a platform for learning and developing skills to enhance performance.
4. **Development:** It is a rigorous manner to offer positive comments, areas for growth, and future objectives. Managers may enhance team performance through coaching, mentoring, and training.
5. **Organizational upkeep:** A performance management system uses several tools and procedures to measure performance gaps and track individual, departmental, and organizational achievements. This contributes to the organization's overall health and achievement of performance targets.
6. **Documentation:** Organizations should regularly document their evaluations, comments, and performance management forms. They may plan for the future, set new targets, identify areas for growth, develop training and education programs, and promote professional advancement for themselves and their employees. As a consequence, it helps align organizational expectations with desired objectives.

IV. THE ROLE OF PERFORMANCE MANAGEMENT IN AN ORGANISATION

The efficacy of an organization's human resource performance management system is critical to its success. Research shows a correlation between good performance management and high-performing organizations. Organizations have several performance management roles, such as:

1. **Improving staff performance** - Employee productivity will steadily drop in the absence of performance management. Efficient systems may motivate employees to provide high-quality results. Any gathering of people will always have one or two individuals who stand out above the rest. Performance management in human resources involves recognizing, identifying, and developing high-performing personnel. As a result, these employees may be assigned to more complex roles that impact the company's growth.
2. **Creating powerful leaders** - Both inherent and taught characteristics can contribute to leadership. Effective performance management fosters leadership skills such as team management, goal formulation, delivery, and work synchronization. The organization may become self-sustaining by encouraging leadership and holding employees accountable for excellence.
3. **Removal of weak linkages** - He also strives to eradicate the organization's weak areas, which is a challenging but necessary performance management task. According to Billy Graham, the weakest link in a chain determines its overall strength. This is true for groupings such as teams or corporations. Performance management can help you identify the one individual who is constantly dragging the team down. After identification, individuals can get constructive criticism, training, and opportunity to acquire necessary skills, among other corrective steps.
If these measures are unsuccessful, the performance management system provides an objective indication of this.
4. **Ensure employee happiness and engagement** - Systems for monitoring performance are equally focused on the person and the organization. The word "employee engagement" has gained popularity in HRM due to its many benefits. Engaging your staff actively boosts productivity. Ensure employee satisfaction to the greatest extent feasible. Better working conditions and job satisfaction are part of this.
5. **Provide personnel with a defined career path** - The majority of high-performing employees will not feel comfortable staying at the same job level for years. Career advancement is more important. Effective performance management requires defining and implementing career strategies. If high-performing employees are not offered options for professional advancement, they may seek better possibilities elsewhere.

V. ANALYSIS & CONCLUSION

Infosys is a global corporation that offers business consulting, information technology, and outsourcing services. The company's sales are \$10.208 billion, with a profit of \$2.140 billion. The number of employees is 200,364. Employees were previously rated using the classic Bell curve approach, but are currently transitioning to 'iCount', as stated below. Infosys created the 'iCount' technique for employee assessments. The CHRO aims to promote communication and feedback through iCount. iCount rewards employees for meeting short-term objectives and provides feedback throughout the year. Vishal Sikka, CEO, created iCount with a 'new and renew' approach that incorporates design thinking. Unlike Bell Curve, iCount provides personalized feedback to each employee throughout the year, rather than comparing them to others. Wipro's CHRO, Saurabh Govil, remarked that the assessment system now focuses on developing employees rather of condemning them for their actions.

Effective performance management may identify employee deficiencies, but organizations must also provide training to help people grow and progress. Organizations should provide managers with training in essential leadership abilities such as communication, listening, feedback, and employee evaluation procedures to avoid mistakes.

Given the study's limitations, the researcher recommends conducting additional research on the relationship between employees and managers and its impact on PMS implementation and employee performance in the public sector. Empirical evidence is needed to determine whether successful implementation improves employee performance.

Future investigations should focus on studying institutional budgets and PMS implementation to identify potential gaps. This study aims to examine how public institutions' budgets impact PMS adoption and staff effectiveness.

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