

PERFORMANCE MANAGEMENT SYSTEM IN PRIVATE SECTOR

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ABSTRACT--*In this dynamic environment, employee performance management is more critical to any organization moreover it is very important to the industry. The success of an organization depends on the performance of the employee. So the organization should focus on their employee performance, they need ongoing performance improvement which fulfills the interests professionally and personally. Most of the organization's main aim is to improve employee performance by conducting various development programmes. This article deals with the effectiveness of the performance management system. This study concluded that strategies and policies improve the performance of the employee and the organization.*

Keywords--*Performance Management System, Performance appraisal, periodic rating.*

I. INTRODUCTION

Performance management is a set of activities that ensure the goals are met efficiently and effectively. Performance management is the process to manage the particular tasks it can focus on the performance of an employee, department, and organization. Generally, performance management principles are organized and disseminated by the senior executives of an organization, and it is assigned by the owners. PM is a strategic and integrated approach of the organization to increase the effectiveness of the company by improving the performance of the employees and by developing the capabilities of individual and team contributors.

Most of the organizations are following performance management principles to produce the desired results. The management and the managers are using the performance management system to align the company goals with the employees' goals and the teams, the goal is an effort taken by the organization to increase the productivity, efficiency, and profitability. The performance management guidelines stipulate the activities and outcomes of the employees and teams. Performance is achieved by the management through encouraging their employees and implementing the best strategies and practices along with monitoring and measuring the output. A comprehensive PM system can play an important role in attracting and retaining their employees.

II. LITERATURE REVIEW

Abdulaziz Al-Raisi, Saad Amin and SaadTahir (2011) concluded that UAE organizations don't use the mentoring technique to improve employee skills. The organizations need to start e- performance management system to motivate their employees.

Ravishankar S Ulle, KotreshPatil, Dr. Aparna J Varma (2018) stated that performance management system helps to measure, identify, and develop the individual's job performance, management should focus on appraising their

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employee to perform effectively. The management must follow the performance management system to improve organizational and individual performance.

Liza EstinoDaoanis, (2012) suggests that an effective reward system motivates the employee to work best to the organization, every company need to improve the appraisal system by motivates the performance of the employee and giving motivational benefits to their employees.

SurajFransis Noronha, P.G.Aquinas, Aruna Doreen Manezes (2016) stated that the performance management system is the most important tool for measuring and managing the individual's performance as well as their team performance. The aim of the management is improving the employee performance.

R.G.Ratnawat and DrP.C.Jha, (2013) examined that performance management system is a process which is followed by the organization to improve the performance of their employees. The appraisal method is one of the key elements in the performance management process of measuring employee performance.

Ravi Chandra G (2018) the company has to measure and evaluate employee performance through the performance management system of their company. Due to increasing grievance, some of the companies are using performance appraisal methods to assess their employee's performance.

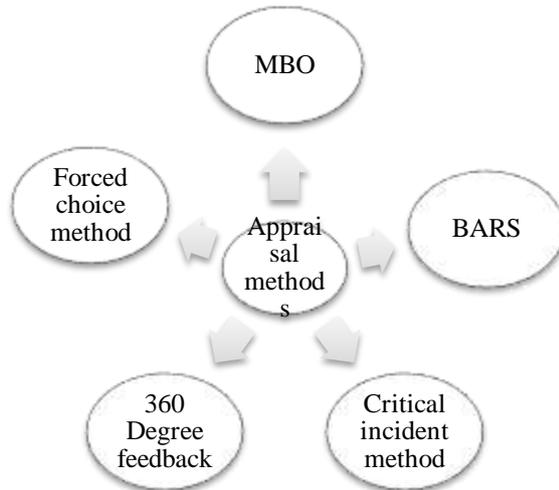
Performance Management

The performance management system is created by the companies to manage the performance of departments, teams, and individual employees within their organization. Effective PM is the most vital component of organizational success. This helps to align each employee's goals and objectives with the organization and it acts as a useful motivation and engagement tool. The aim of the performance management system is getting better results from individuals and the organization by understanding and managing the performance. It is an ongoing process of the organization and it is a communication between the management and an employee.

Performance Appraisal

The Performance Appraisal method started at the end of the 20th century, the employees can be compared the output with their objectives. After the 20th century, it is started to gain popularity now it exists within an organization. The aim of the performance appraisal is aligning the individual and organizational goals, improving employee performance, and monitoring their performance. Nowadays, most of the organizations are facilitating and improving the performance of employees by building a favorable working environment and providing opportunities to their employees for participating in the organizational decision-making process. It is a complicated and important function of the HRD, as it encompasses the activities such as continuous progress review, feedback, and frequent communication, implementation of employee development programmes, coaching for performance improvement, rewarding and achievements. Training, Job design, reward system, and leadership development, is the traditional performance appraisal process of the organization.

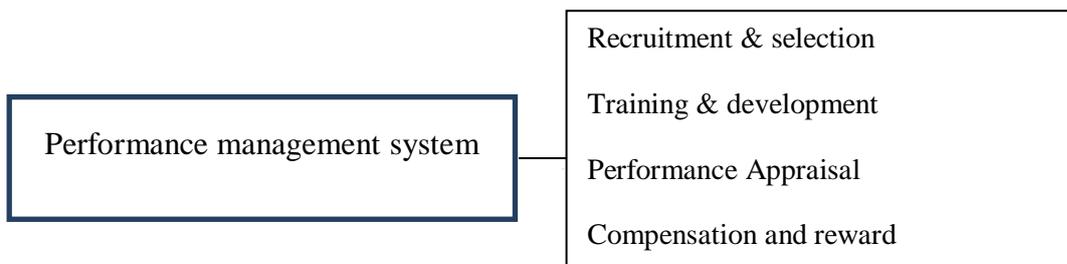
Effective appraisal methods



A performance management system includes: -

- Developing employee performance plans and job descriptions.
- Implement the appropriate selection process and recruit the right set of people.
- Identify the need for training and development and provide periodical training for improving employee performance.
- Evaluate employee performance based on performance plans.
- Design effective compensation and reward.
- Providing career development support and guidance to their employees.

a. Research model



III. OBJECTIVES OF THE STUDY

- b. To study the current performance management system.
- c. To build a high-performance culture for the management and the employees.

Hypothesis

- H1: There is a relationship between the performance management system and its effectiveness.
- H1: Compensation and rewarding has a significant influence on employee effectiveness.

IV. METHODOLOGY

Primary as well as secondary data is used for this study. 50 questionnaires were used to collect the primary data. The sample size of this study is 50. These employees were randomly chosen from a different organization. Secondary data collected from journals, articles, books and the internet. One way ANOVA and one sample test applied for this study, the performance management system rated on 5. Likert scale ranging from (SA, A, N, DA, SDA) strongly agree, agree, Neutral, Strongly disagree and disagree.

V. ANALYSIS

Table 1: Demographic profile

Variable	Frequency	Percentage
Age		
Less than 30	13	26
31-50	26	52
Above 50	11	22
Gender		
Male	22	44
Female	28	56
Educational Qualification		
Graduate	17	34
Postgraduate	9	18
Other	24	48
Work experience		
Less than 3 years	8	16
3-5 years	17	34
5-10 years	19	38
Above 10 years	6	12
Annual Income		
Less than 3,00,000	31	62
Rs.3,00,000 to Rs.5,00,000	14	28
Above 5,00,000	5	10
Marital status		
Married	29	58
Single	21	42

The above table shows the demographic profile of the sample respondents 26% of the respondents are less than 30 age group, 52% of the respondents are 31-50 age group, only 22% of the respondents are above 50 age

group. It is observed that majority of the respondents are middle age group. Under gender-wise distribution 44% of the respondents are male, 56% of the respondents are female, educational qualification wise distribution 34% of the respondents are graduate, 18% of the respondents are postgraduate and 48% of the respondents are other categories, based on work experience 16% of the respondents are less than 3 years' experience, 34% of the respondents are 3-5 years' experience, 38% of the respondents are 5-10 years' experience and 12% of the respondents are above 10 years' experience. It is observed that majority of the respondents are 5-10 years' experience. Annual income-wise distribution 62% of the respondents are less than 3 lakhs income group, 28% of the respondents are 3-5 lakhs income group, 10% of the respondents are above 5 lakhs income group. It is observed that majority of the respondents are less than 3 lakhs income group. Marital status wise distribution 58% of the respondents are married, 42% of the respondents are unmarried. It is observed that majority of the respondents are married.

Table 2: Respondents based on performance management

S. N	Particulars	SA		A		N		DA		SDA	
		N	%	N	%	N	%	N	%	N	%
1	Two-way communication is encouraged by our management	5	10	10	20	3	6	13	26	19	38
2	The performance management system is supported to balance between work life and personal life	7	14	5	10	8	16	16	32	14	28
3	Workplace issues are solved quickly and fairly	5	10	8	16	6	12	19	38	22	44
4	The employees are recognized for their work performance	5	10	4	8	5	10	28	56	8	16
5	Received proper training needed to do the job	7	14	6	12	11	22	21	42	5	10

The above table shows that 10 % of respondents are strongly agreed, 20% of respondents are agreed, 6% of respondents are neutral, 26 % of respondents disagree, 38% of respondents are strongly disagree on two-way communication is encouraged by our management. It is observed that the majority of the organizations are not encouraged two-way communication. Under the category of Performance management system is support to balance between work life and personal life 14% of the respondents are strongly agreed, 10% of the respondents are agreed, 16% of the respondents are neutral, 32 % of the respondents are disagree, 28% of the respondents are strongly disagreed. Workplace issues are solved quickly and fairly 10% of respondents are strongly agreed, 16% of respondents are agreed, 12% of respondents are neutral, 38% of respondents are disagree, 24% of respondents are strongly disagreed. The employees are recognized for their work performance 10% of

respondents are strongly agreed, 8% of respondents are agreed 56% of respondents are disagreed, 16% of respondents are strongly disagreed. It is observed that most of the organizations are not recognize their employees for their work. Received proper training needed to do the job 14% of respondents are strongly agreed, 12% of respondents are agreed 42% of respondents are disagreeedd, 10% of respondents are strongly disagreed. It is observed that majority of the respondents are not receiving proper training for their work.

Table 3: One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
Two-way communication is encouraged by our management	5	20.00	12.806	5.727
The performance management system is supported to balance between work life and personal life	5	20.00	9.487	4.243
Workplace issues are solved quickly and fairly	5	20.00	11.402	5.099
The employees are recognized for their work performance	5	20.00	20.347	9.099
Received proper training needed to do the job	5	20.00	13.115	5.865

From the above table, it is found that Std. Deviation of two-way communication is encouraged by our management is 12.806 and Std. Error Mean is 5.727, Std. Deviation of Performance management system is support to balancebetween work life and personal life is 9.487 and Std. Error Mean is 4.243, Std. Deviation of work place issues are solved quickly and fairly is 11.402 and Std. Error Mean is 5.099, Std. Deviation of the employees are recognized for their work performance is 20.347 and Std. Error Mean is 9.099 and Std. Deviation of received proper training needed to do the job is 13.115 and Std. Error Mean is 5.865.

Table 4: One-Sample Test

	Test Value = 0					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Two-way communication is encouraged by our management	3.492	4	.025	20.000	4.10	35.90
Performance management system is support to balance between work life and personal life	4.714	4	.009	20.000	8.22	31.78
Workplace issues are solved quickly and fairly	3.922	4	.017	20.000	5.84	34.16

The employees are recognized for their work performance	2.198	4	.093	20.000	-5.26	45.26
Received proper training needed to do the job	3.410	4	.027	20.000	3.72	36.28

From the above table it is found that t value range is 2.198 to 4.714, two way communication is encouraged by our management, Performance management system is support to balance between work life and personal life, Workplace issues are solved quickly and fairly and Received proper training needed to do the job are statistically significant with two-tailed significant. Based on the above table the employees strongly agreed performance management system is very important to improve employee performance.

VI. FINDINGS AND CONCLUSION

A performance management system helps to identifying, measuring and developing the performance of both individuals as well as organization. Planning, training facilities, leadership style, and technological changes are the factors to improve individual performance at their workplace. So the management must provide these facilities to improve their employee’s performance and overcome the problems.

Performance appraisal is one of the key techniques to measure employee performance. The management should focus on regularly appraising their employees to perform their job effectively. The management should identify the necessity of the training and takes necessary steps to improve the training programme. The management should follow the process of the performance management system to improve employee and organizational performance. So, the organization can achieve its goals and objectives. An efficient Performance management system can boost the organization to maximize employee performance. An effective Performance management system can encourage the organizational climate such as trust, teamwork, autonomy, and communication, etc. An effective Performance management system can help the organization and employees to achieve sustainable growth.

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