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PERFORMANCE MANAGEMENT IN ORGANIZATIONS

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Abstract:

Performance management is focused on the employees, on the team from the organization, and the organization as a whole. A good performance management help your organization raise individual performance, foster ongoing employee and supervisor development, and increase overall organizational effectiveness. Some proponents argue that there is a clear and immediate correlation between using performance management programs or software and improved business and organizational results. Organizations typically manage employee performance over a formal twelve month period.

Key words: management, performance, goals, rewards, results, feedback, strategy

1. Introduction

What is management? “A management process design to link the organization’s objectives with those of the individual in such a way as to ensure that both individual and corporate objective is for as possible met¹”

The management performance has appeared because of “*the necessity in today’s globally competitive industrial environment for every employee’s efforts to focus on helping the company to achieve its strategic goals*”² or “*a series of organizational processes and applications designed to optimize the execution of business strategy.*” (Wayne Ackerson)

Performance Management is the system from the organization witch:

- Establishes its objectives,
- Identify their performance standards,
- Allocate and evaluate workloads,
- Provides feedback on results achieved
- Identify training needs and development
- Training of employees
- Allocate compensation.

(Briscoe & Claus, 2008)

2. Stages of the performance management

1. **Planning performance** requires a preparation for a quality management and this mean to have a strong reason and targets established for introducing performance management; also it is compulsory to have a clear view about the results. This requires a

¹ <http://www.slideshare.net/sjunaid/managing-performance-in-organization>

² <http://www.csus.edu/indiv/s/sablynskic/chapter9perfappwebnotes.htm>

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strong commitment from the top the management, also a good organization in the field of resources for accomplish the goals of the organization.

2. **Managing performance** requires a strong decision that everything that was plan to do, has to be done. This means that the work is done and the results are produced according to the key performance indicators. The manager has to work the essential condition that all the employees manage to accede and deliver the results.

3. **Reviewing Performance** has to be done by “*Evaluating an employee’s current and /or past performance relative to his or her performance standards*”³.

“A performance appraisal (PA), also referred to as a performance review, performance evaluation, (career) development discussion, or employee appraisal is a method by which the job performance of an employee is documented and evaluated. Performance appraisals are a part of career development and consist of regular reviews of employee performance within organizations.”⁴

4. **Rewarding Performance**

It is important for the employees to receive a reward from the manager, concerning the work that they have done and the result that they accomplish. Example of rewards:

- Saying positive comments by the manager concerning their work
- Good thinks about the results from the costumers;
- A good feedback about the key performance indicators from the partners
- Thank from the board member given in special occasion
- Find out what motivate every employees (for example using Checklist of Categories of Typical Motivators) ; using this approach for finding out and giving the opportunity to explain what motivate him to do a quality work
- In staff meeting, the manager has to offer a few minutes for mentioning the major accomplishments of the employees in finishing the tasks
- The manager can offer gift certificates to employees for the major accomplishments
- Allowing the team to recommend other employees for awards.

The roll of the manager in organization is to ensure that the employees work and perform as effectively as possible the achievement of the objectives/strategies that was established. The employees has to do useful work and for this, it is the manager duty that everyone has understand what is the mission of the business and how he can help by what he is doing at this mission. For this, it is compulsory that the mission statement is on the walls of the institution. Also, there are discussions about the action planning of the strategic plan with the employees, for them to understand how their work is important for achieving the strategic goals of the entering organization.

There are several components of an effective performance management in organization, and this are:

- Direction informing
- Role explaining
- Objective alignment
- Developmental goal setting
- On-going performance monitoring
- On-going feedback
- Support
- Performance appraisal
- Giving rewards
- Workflow and return

³ ibidem

⁴ https://en.wikipedia.org/wiki/Performance_appraisal

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“Possible Outcomes from Effective Performance Management

- Clarifying job responsibilities and expectations.
- Enhancing individual and group productivity.
- Developing employee capabilities to their fullest extent through effective feedback and coaching.
- Driving behavior to align with the organization’s core values, goals and strategy.
- Providing a basis for making operational human capital decisions (e.g., pay).
- Improving communication between employees and managers.”⁵

Performance evaluation is promoted following large groups of models:

1. Empirical models (based on common sense);
2. Developed models (based on scientific knowledge).

1. Empirical models (based on common sense) are inspired by the personal experience of the evaluator and based on common sense and intuition. They are guided by personal capacity of the evaluator.

These models aimed at personnel performance analysis on the following elements:

- a) Personality structure and specific experience;
- b) Procedural mechanisms of professional conduct;
- c) The product of professional behavior.

2. Developed models (based on scientific knowledge) are determined by criteria, concepts, methodologies and standards based on assessment knowledge.

A proper evaluation of staff performance management respects the multidimensional and the determination of the managerial processes. Generally, the action evaluation involves:

- Measures directly related to production (quantity / quality);
- Personal data (experience, absenteeism);
- Assessments (evaluations from superiors, peers, self-esteem).

The role of evaluation of the performance has several directions:

- Influences behavior: in order to produce the behavioral changes necessary to change the performance indicator generating undesirable behavior.
- Increases the visibility of results: what is not measured cannot be managed properly.
- Draws attention to what is important or priority for the organization.
- It helps to clarify expectations
- facilitates identification of responsibility
- Enhances objectivity
- It is the base for the establishment goals
- improves execution
- promote consistency in action
- facilitates feedback
- increases the probability of the consistent behavior
- improves the decision-making process

⁵ Pulakos E. D., *Performance Management*, Society for Resource Management, SHRM Foundation

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- improves problem-solving process
- motivate

It is necessary to realize a well-articulated process for accomplishing evaluation activities, this mean the effective performance management systems. Some variation of the process that is based on examination of performance management processes is presented in this way:



Fig.1 Typical Performance Management Process⁶

In the absence of an effective evaluation system, attention will be directed to those tasks that are new or are demanding. For this reason, the most pressing requirements are often resolved, although they are not necessarily a priority for the organization.

Performance evaluation is a very important activity of the management human resources, and it is done to determine if the employees of an organization fulfill their duties or responsibilities duties, which directly affects business performance. Staff evaluation can have an immediate, limited purpose (evaluation performed to dismissal or promotion / reference to specialization) can have consequences in the medium term goal (assessing personnel its hierarchy and to establish pay scales), or purpose general with long-term consequences (as part of employee evaluation continuous and integrated process management personnel - career management and staff development).

3. Conclusion

It is important that performance management is one of the key factors in gaining competitive advantage. The manager has to understand that the way to performance is based on the discussion and feedback that they receive from the employees, from the partners, the costumers and self-evaluation.

⁶ ibidem

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