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PERFORMANCE MANAGEMENT – INTRODUCTION

Performance management can be defined as a systematic process to improve organizational performance by developing the performance of individuals and teams working with an organization. It is a means of getting better results from the organization, teams and individuals by understanding and managing their performance within a framework of planned goals, standards and competence requirements. In other words, performance management is the process of managing an organization's management strategy. This is how plans are converted into desired outcomes in organizations.

Performance management is a powerful tool

Performance management is a difficult role to play. Some people have difficulty when it comes to performance evaluation. Performance management is about motivation and partnership. When this kind of prospective is shared with your employees and they learn to see in that way, performance management becomes a powerful tool that will help your team to become more successful.



Performance Management is NOT Human Resource Planning

Performance management is sometimes mistaken for human resources and personnel system, but it is very different when it comes to execution. Performance management comprises of the methodologies, processes, software tools, and systems that manage the performance of an organization, whereas **Human Resource Planning** only takes care of individual employee's work responsibilities and work delivery.

The benefits of performance management extend to enhancing broad cross-functional involvement in decision-making, and calculated risk-taking by providing greater visibility with accurate and relevant information, to execute an organization's strategy.

Performance management involves many managerial roles, which shows you must be a communicator, a leader and a collaborator as well. Each individual in the team should understand exactly what their responsibilities are and what the expectations from them are, and how to work accordingly to reach the goals.



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SIGNIFICANCE OF PM

Importance of PM

- Improve employee performance
- Develop people for promotional opportunities
- Meet employee need for feedback
- Ensure that employees are working toward organizational goals
- Provide the data needed to make and defend important human resources decisions.

SCOPE AND USES

Many organizations jump from one improvement program to another, hoping that one of them will provide that big, elusive result. Most managers would acknowledge that pulling levers for improvement rarely results in a long-term sustained change. The key to improving is integrating and balancing multiple programs sustainably. You cannot break the chain by simply implementing one improvement program and exclude the other programs and initiatives.

There should be a strong bonding between the issues and the strategy of an organization. The manner in which an organization implements performance management can be influenced by its history, goals, mission, vision, strategic priorities, and the various problems it faces in its economic, political, demographic and technological environment.

Performance management is not free floating. If we simplify a little, performance management only exists to help the organization achieve its strategy in the best possible way to help the organization to survive and compete in the market.

Performance management has no end point. Sometimes, for busy, hardworking managers it seems like it is the reason we go through appraisal with staff and get the appraisal process done. Strong and improving performance by individuals and excellent performance management by all managers who are responsible to hold on with their teams are essential to achieving organizational goals.

Research has indicated that a great majority of individuals wants to perform excellently.

When managers manage their teams and individual's performance skillfully, this motivates individuals to be proud of what they do. Although this is a big generalization, it does look that most individuals really do want to do a good job, making our leadership in performance management a real-time opportunity.



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SCOPE OF PERFORMANCE MANAGEMENT SYSTEM

- Identifying the parameters of performance and stating them very clearly;
- Setting performance standards;
- Planning in participative ways where appropriate, performance of all constituents;
- Identifying competencies and competency gaps that contribute/hinder to performance;
- Planning performance development activities;
- Creating ownership;
- Recognizing and promoting performance culture;



PERFORMANCE MANAGEMENT - AIMS

Performance management is about **aligning individual objectives to organizational objectives** and ensuring that individuals hold the corporate core values. It provides for expectations to be defined in terms of role responsibilities and accountabilities expected to do, skills expected to have and behavior expected to be.

The overall aim of performance management is to establish a good culture in which individuals and teams take responsibility for the improvement of their own skills and their organizations.

Specifically, performance management is all about achieving the individual objectives according to the organizational objectives and ensuring that every individual is working towards it.

Another aim is to develop the capacity of individuals to meet the expectations of the organization. Mainly, performance management is concerned with the support and guidance for the people who need to develop.

The main points of view towards achieving the aims of performance managements are – □
Empowering, motivating and rewarding employees to perform their best for the organization.

- Focusing on employees' tasks, the right things and make them doing right. Aligning everyone's individual goals towards the goals of the organization.
- Proactively managing and resourcing performance against objectives of the organizations.
- Linking job performance to the achievement of the council's corporate strategy and service plans.
- The alignment of individual objectives with team, department and corporate plans. The presentation of objectives with clearly defined goals using measures, both soft and numeric. The monitoring of performance and tasking of continuous action as required.
- All individuals being clear about what they need to achieve and expected standards, and how that contributes to the overall success of the organization; receiving regular, fair, accurate feedback and coaching to stretch and motivate them to achieve their best.



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PERFORMANCE MANAGEMENT CHARACTERISTICS

Performance management is a pre-planned process of which the primary elements are agreement, measurement and feedback.

The following are the characteristics of performance management – Measures
outputs of delivered performance

It is concerned with measuring outputs of delivered performance compared with expectations expressed as objectives. Its complete focus is on targets, standards and performance measures. It is based on the agreement of role requirements, objectives and performance improvement and personal development plans.

Concerned with inputs and values

Performance management is also concerned with inputs and values. The inputs are the knowledge, skills and behaviors required to produce the expected results from the individuals.

Continuous and flexible process

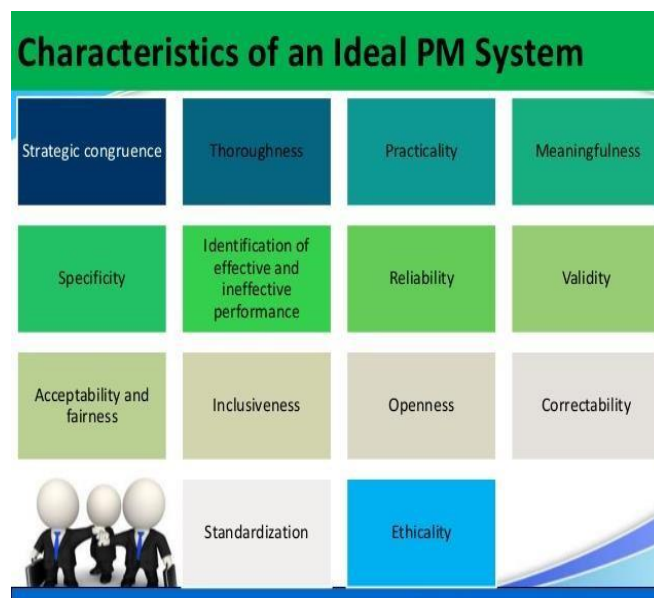
Performance management is a continuous and flexible process that involves managers and those whom they manage acting as partners within a framework that sets out how they can best work together to achieve the required results.

Based on the principle of management by contract and agreement

It is based on the principle of management by contract and agreement rather than management by command. It relies on consensus and cooperation rather than control or coercion.

Focuses on future performance planning and improvement

Performance management also focuses on future performance planning and improvement rather than on retrospective performance appraisal. It functions as a continuous and evolutionary process, in which performance improves over the period of time; and provides the basis for regular and frequent dialogues between managers and individuals about performance and development needs.



PERFORMANCE MANAGEMENT - CONCERNS

The following are the main concerns of performance management –



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- ✚ Concern with outputs, process and inputs
- ✚ Concern with planning
- ✚ Concern with measurement and review
- ✚ Concern with continuous improvement
- ✚ Concern with continuous development
- ✚ Concern for communication
- ✚ Concern for stakeholders
- ✚ Concern for transparency

WHAT IS PERFORMANCE?

Performance could be defined simply in terms of the achievement of quantified objectives. But performance is not only a matter of what people achieve but also how they are achieving it. A high performance result comes from appropriate behavior and the effective use of required knowledge, skills and competencies.

Performance management must examine how results are attained because this provides the information necessary to consider what needs to be done to improve those results. The concept of performance has been expressed by Brumbrach (1988) as follows: 'Performance means both behaviors and results. Behavior emanates from the performer and transforms performance from abstraction to action.

Not just the instruments for results, behavior is also an outcome in its own right – the product of mental and physical effort applied to tasks – and can be judged apart from results. This definition of performance leads to the conclusion that when managing performance both behavior and results need to be considered.

It is not a question of simply considering the achievement of targets as used to happen in **management-by-objectives** scheme. Competence factors need to be included in the process. This is the so-called '**mixed model**' of performance management, which covers the achievement of expected levels of competence as well as objective setting and review.

Significance of Performance

Performance is all about the core values of the organization. This is an aspect of behavior but it focuses on what people do to realize core values such as **concern for quality, concern for people, concern for equal opportunity and operating ethically**. It means converting espoused values into values in use: ensuring that the rhetoric becomes reality.

Meaning of Alignment

One of the most important purposes of performance management is to assign individual and organizational objectives. This means what people do at work leads to the achievement of organizational goals.

The real concept of performance is associated with an approach to creating a particular vision of purpose and aims of the organization, which will be helping each employee to understand and recognize their part of responsibilities by the help of which they will manage and enhance the performance of both individuals and the organization.

In an organization, alignment is a flow of objectives from the **top to bottom** and at each level, team or individual objectives are defined in comparison with higher-level goals. But it also should be a transparent process where individuals and teams are being given the opportunity to set their own goals within the framework defined by the purpose, strategy and values of the organization.



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Objectives should be **agreed**, not set, and this agreement should be reached through the open dialogues that take place between managers and individuals throughout the year. In other words, this needs to be seen as a partnership in which responsibility is shared and mutual expectations are defined.

Managing Expectations

Performance management is essentially about the management of expectations. It creates a shared understanding of what is required to improve performance and how this will be achieved by clarifying and agreeing what people are expected to do and how they are expected to behave and uses these agreements as the basis for measurement, review and the preparation of plans for performance improvement and development.

The Significance of Discretionary Behavior

Performance management is concerned with the encouragement of productive discretionary behavior. Discretionary behavior refers to the choices that people make about how they carry out their work and the amount of effort, care, innovation and productive behavior they display.

It is the difference between people just doing a job and people doing a great job.

GUIDING PRINCIPLES OF PERFORMANCE MANAGEMENT

It is necessary to identify any causes that are external to the job and outside the control of either the manager or the individual. Any factors that **are** within the control of the individual and the manager can then be considered.

First, the entire performance management process – **coaching, counselling, feedback, tracking, recognition**, and so forth – should encourage development. Ideally, team members grow and develop through these interactions. Second, when managers and team members ask what they need — to be able to do to do bigger and better things — they move to strategic development.

The researchers also got the following additional views from practitioners about performance management –

- A management tool which helps managers to manage.
- Driven by corporate purpose and values.
- To obtain solutions that work.
- Only interested in things you can do something about and get a visible improvement.
- Focus on changing behavior rather than paperwork.
- It's about how we manage people – it's not a system.
- Performance management is what managers do: a natural process of management.
- Based on accepted principles but operates flexibly.
- Success depends on what the organization is and needs to be in its performance culture.

Performance Management is NOT Performance Appraisal

It is sometimes assumed that performance appraisal is the same thing as performance management. But there are significant differences.

- Performance appraisal can be defined as the formal assessment and rating of individuals by their managers at, usually, an annual review meeting.
- In contrast, performance management is a continuous and much wider, more comprehensive and more natural process of management that clarifies mutual



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expectations, emphasizes the support role of managers who are expected to act as coaches rather than judges and focuses on the future.

Performance appraisal has been discredited because too often, it has been operated as a topdown and largely bureaucratic system owned by the HR department rather than by line managers. It was often backward looking, concentrating on what had gone wrong, rather than looking forward to future development needs.

Performance appraisal schemes existed in isolation. There was little or no link between them and the needs of the business. Line managers have frequently rejected performance appraisal schemes as being time consuming and irrelevant. Employees have resented the superficial nature with which appraisals have been conducted by managers who lack the skills required.

Psychological Contract with Performance Management

The concept of psychological contract is a system of beliefs that encompass the actions employees believe are expected of them and what response they expect in return from their employer. It is concerned with **assumptions, expectations, promises and mutual obligations**. Psychological contracts are 'promissory and reciprocal, offering a commitment to some behavior on the part of the employee, in return for some action on the part of the employer.

A positive psychological contract is one in which both parties – the employee and the employer, the individual and the manager – agree on mutual expectations and pursue courses of action that provide for those expectations to be realized.

A positive psychological contract is worth taking seriously because it is strongly linked to higher commitment to the organization, higher employee satisfaction and better employment relations. Performance management has an important part to play in developing a positive psychological contract.

Performance management processes can help to clarify the psychological contract and make it more positive by –

- Providing a basis for the joint agreement and definition of roles.
- Communicating expectations in the form of targets, standards of performance, behavioral requirements (competencies) and upholding core values.
- Obtaining agreement on the contribution both parties have to make to get the results expected.
- Defining the level of support to be exercised by managers.
- Providing rewards that reinforce the messages about expectations.
- Giving employees opportunities at performance review discussions to clarify points about their work.

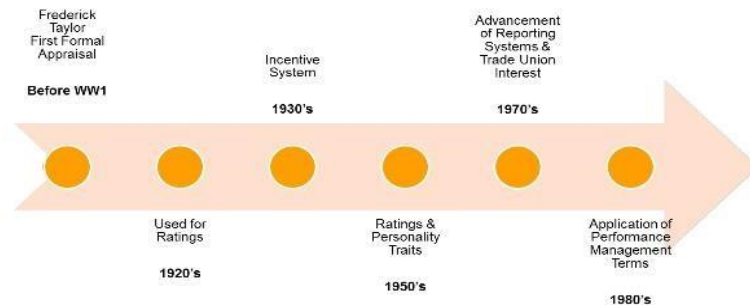


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THE PERFORMANCE MANAGEMENT PROCESS EVOLVED IN SEVERAL PHASES.

The Evolution of Performance Management



1. **First Phase:** The origin of performance management can be traced in the early 1960's when the performance appraisal systems were in practice. During this period, **Annual Confidential Reports (ACR's)** which was also known as **Employee service Records** were maintained for controlling the behaviors of the employees and these reports provided substantial information on the performance of the employees.

Any negative comment or a remark in the ESR or ACR used to adversely affect the prospects of career growth of an employee. The assessments were usually done for ten traits on a five or a ten point rating scale basis. These traits were job knowledge, sincerity, dynamism, punctuality, leadership, loyalty, etc. The remarks of these reports were never communicated to the employees and strict confidentiality was maintained in the entire process. The employees used to remain in absolute darkness due to the absence of a transparent mechanism of feedback and communication. This system had suffered from many drawbacks.

2. **Second Phase:** This phase continued from late 1960's till early 1970's, and the key hallmark of this phase was that whatever adverse remarks were incorporated in the performance reports were communicated to the employees so that they could take corrective actions for overcoming such deficiencies. In this process of appraising the performance, the reviewing officer used to enjoy a discretionary power of overruling the ratings given by the reporting officer. The employees usually used to get a formal written communication on their identified areas of improvements if the rating for any specific trait used to be below 33%.
3. **Third Phase:** In this phase the term ACR was replaced by performance appraisal. One of the key changes that were introduced in this stage was that the employees were permitted to describe their accomplishments in the confidential performance reports. The employees were allowed to describe their accomplishments in the self appraisal forms in the end of a year. Besides inclusion of the traits in the rating scale, several new components were considered by many organizations which could measure the productivity and performance of an employee in quantifiable terms such as targets



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achieved, etc. Certain organizations also introduced a new section on training needs in the appraisal form. However, the confidentiality element was still being maintained and the entire process continued to be control oriented instead of being development oriented.

4. **Fourth Phase:** This phase started in mid 1970's and its origin was in India as great business tycoons like Larsen & Toubro, followed by State Bank of India and many others introduced appreciable reforms in this field.

In this phase, the appraisal process was more development driven, target based (performance based), participative and open instead of being treated as a confidential process. The system focused on performance planning, review and development of an employee by following a methodical approach.

In the entire process, the appraisee (employee) and the reporting officer mutually decided upon the key result areas in the beginning of a year and reviewed it after every six months. In the review period various issues such as factors affecting the performance, training needs of an employee, newer targets and also the ratings were discussed with the appraisee in a collaborative environment.

This phase was a welcoming change in the area of performance management and many organizations introduced a new HR department for taking care of the developmental issues of the organization.

5. **Fifth Phase:** This phase was characterized by maturity in approach of handling people's issues. It was more performance driven and emphasis was on development, planning and improvement. Utmost importance was given to culture building, team appraisals and quality circles were established for assessing the improvement in the overall employee productivity.

The performance management system is still evolving and in the near future one may expect a far more objective and a transparent system.



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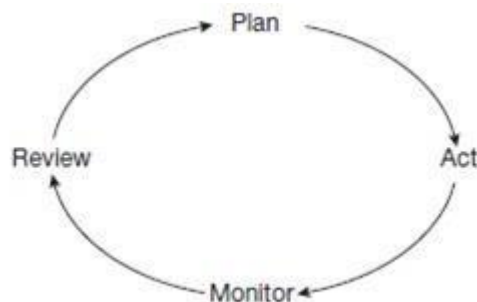
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PERFORMANCE MANAGEMENT & STRATEGIC MANAGEMENT



PERFORMANCE MANAGEMENT - PROCESS

Performance management is a process management which consists of the following activities –



- **Plan** – decide what to do and how to do it.
- **Act** – carry out the work needed to implement the plan. □ **Monitor** – carry out continuous checks on what is being done and measure outcomes in order to assess progress in implementing the plan.
- **Review** – consider what has been achieved and, in the light of this, establish what more needs to be done and any corrective action required if performance is not in line with the plan.

This sequence of activities can be expressed as a continuous cycle as shown in the following figure –

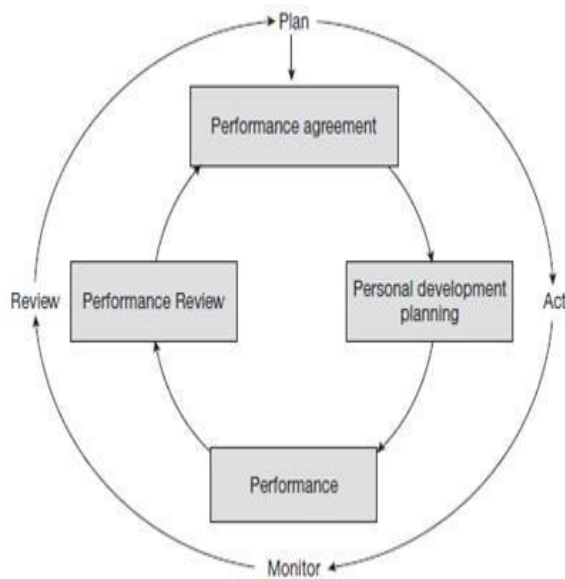
Performance Management Cycle

Performance management can be described as a continuous process cycle as shown in the following figure, which follows the plan–act–monitor–review sequence as described above.



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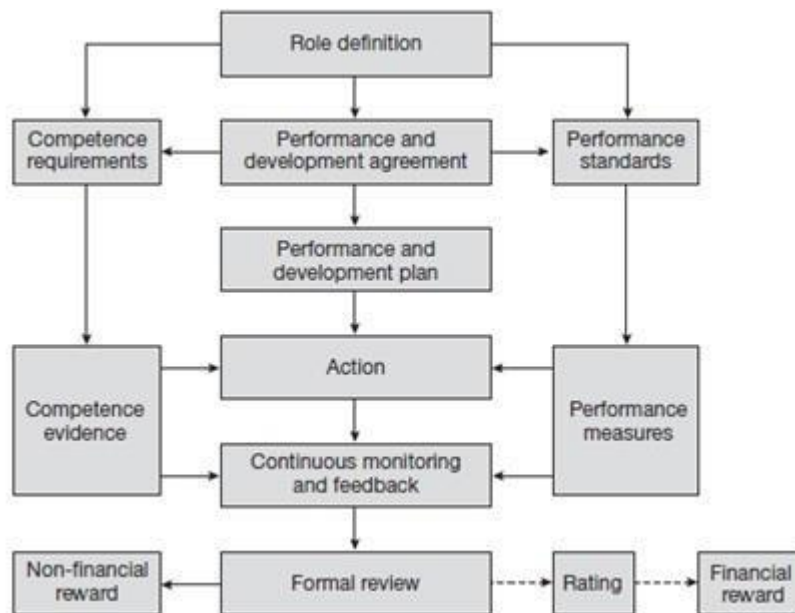


Performance Management Cycle



Performance Management Sequence

The sequence of processes carried out in this cycle and the likely outcomes are illustrated in the following figure –



Performance Management Activities

Let us now discuss the activities that take place in performance management. The main activities are –

- **Role definition**, in which the key result areas and competence requirements are agreed.
 - **The performance agreement, which defines expectations** – what individuals have to achieve in the form of objectives, how performance will be measured and the competences needed to deliver the required results.
- **The performance improvement plan**, which specifies what individuals should do to improve their performance when necessary.
- **The personal development plan**, which sets out the actions people should take to develop their knowledge and skills and increase their levels of competence.



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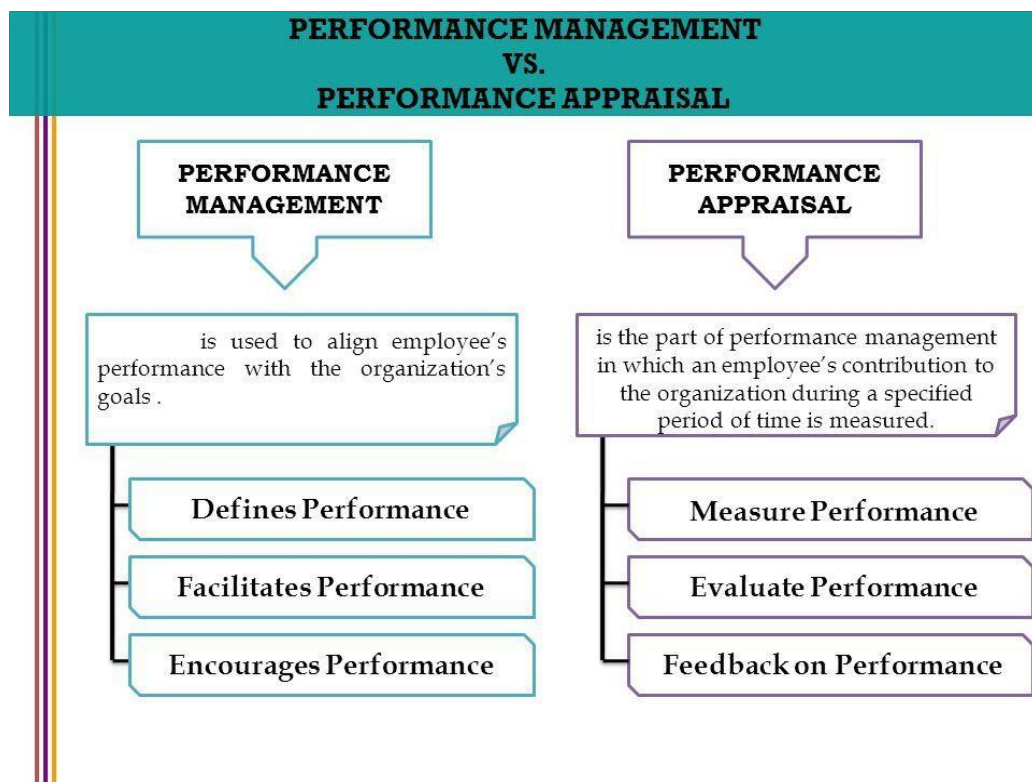
- **Managing performance throughout the year**, when action is taken to implement the performance agreement and performance improvement and personal development plans as individuals carry on with their day-to-day work and their planned learning activities. It includes a continuous process of providing feedback on performance, conducting informal progress reviews, updated objectives and, where necessary, dealing with performance problems.
- **Performance review is an evaluation stage**, where a review of performance over a period takes place covering the aspects like achievements, progress and problems as the basis for the next part of the continuous cycle – a revised performance agreement and performance improvement and personal development plans. It can also lead to performance ratings.

Performance Management in Action

Performance management should not be like a system based on periodical formal appraisals and detailed documentation. The activities should be logical in the sense of contributing to an overall approach in which all aspects of the performance management process are designed.

Thus, in every organization there is a need to declare why performance management is important, how it works and how people will be affected by it. The declaration should have the visible and continuous support of top management and should emphasize to develop a high-performance culture and integrate organizational and individual goals.

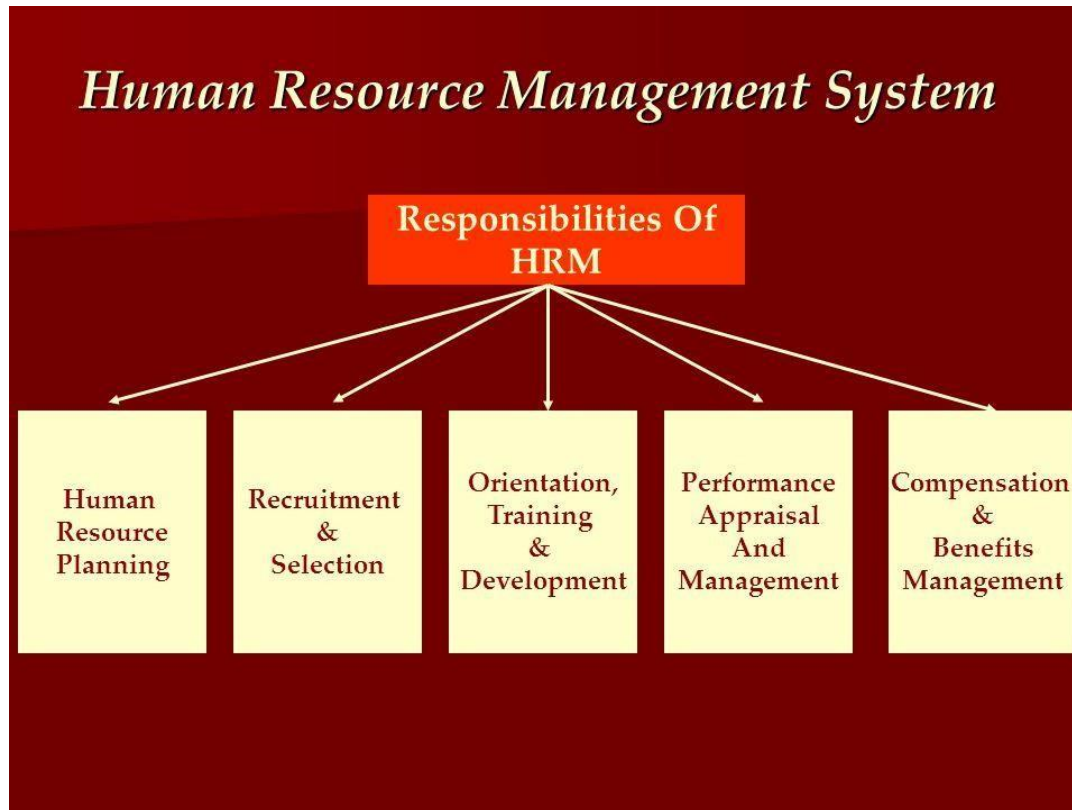
Performance management recognizes the fact that we all create the view of the people who work for the organization and it also makes sense to express that view explicitly against a framework of reference.





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Performance Management Strategies

1. Define and Communicate Company Goals and Performance Objectives

Your employees cannot meet your performance expectations or company goals if they are not clearly outlined, making this our first step toward effective performance management. Sometimes employers are not as clear as they could be when outlining their goals or company objectives, and often, employees do not come forward to ask follow-up questions when they are confused or unclear about something. Preempt this pitfall by being as clear and communicative as you can possibly be.

You can define and outline goals by using a [goal-tracking software](#), creating a chart within the office, by sending out an e-mail, distributing a flyer throughout the office, holding meetings, or doing each of these things in turn. When you are outlining goals and objectives, repeat the message so that it sinks in, offer visuals (such as an office chart and e-mail) so that employees have a reference, and most importantly, hold meetings to check in on progress.

2. Utilize Performance Management Software

If you are not already using a [performance management software](#), it may be time to consider trying it out. If you do already use one and it's not saving you any time, your team complains about it, or it has low employee engagement, it may be obsolete and in need of an upgrade. Performance management software can really streamline your performance management strategies, making it imperative that you either begin using one or at least begin looking to upgrade.

A good performance management software system is one that both offers traditional reviews and 360s, is employee-friendly, has an easy-to-use dashboard interface, allows for quick and actionable reporting and, of course, fosters employee development. The software will help both you and your employees stay on top of things so that your company is running smoothly and



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efficiently at all times. Some useful examples of more modern performance management software can be found [here](#).

3. Offer Frequent Performance Feedback

While clearly communicating company and individual goals is an essential step for any business, communication alone is not going to get you all that far. Your managers will also need to check in with teams and employees periodically not only to gauge progress but also to provide feedback.

Good performance feedback reinforces strong skill sets and positive behaviors while showing opportunity areas with a clear path for improvement. This type of feedback cannot wait until HR kicks off an annual review cycle. Instead, it should be given in real time and integrated into company culture (it should also start during the interview process, but that is another post for another time).

Timely performance feedback is the best way to affirm your employees and their work while also shaping their work effectively. If you have a performance software now, it should be able to help you collect frequent feedback. If not, free tools like Google forms, survey monkey, or even just a basic e-mail request will get you pretty far.

4. Use Peer Reviews

Another great way to foster effective performance management is to utilize [peer reviews](#), also known as 360-degree reviews. Again, this is a feature that can be found on most performance management software programs. Peer reviews are useful because they allow coworkers to praise other coworkers and highlight positive aspects of their performance, as well as point out where improvements can be made.

This exercise helps employees to work together, build better communication, and assess where they can improve themselves while watching their colleagues. There does need to be some manager or HR oversight into this process, and all peer reviews should be read to ensure that no claims, concerns, praises, or other comments go unnoticed or unaddressed.

5. Preemptive Management and Recognition

One way to guarantee results in the workplace is to implement rewards and practice preemptive management. This simply means that your employees always know what is expected of them so there is never any guesswork or need for consequences in the workplace.

This starts everyone on the same footing, making a fair playing field where expectations are set and goals are known. Rewards, or incentives, are also an effective way to show employees that you care, that you see their efforts and are pleased with their performance, and that you want them to keep up the good work.

In the same way, having a strong “HR Toolbox” in play that helps managers catch slipping employees early on and provide appropriate feedback helps to catch a problem before it even starts. In this way, “Preemptive Management” is all about communicating with your employees and letting them know what is expected, what is not, and how to meet the goals that have been set.



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6. Set Regular Meetings to Discuss Outcomes and Results

Also known as progress reports or progress meetings, setting aside time to meet with your team and seeing how things are going with your set goals and objectives are important for meeting those goals and objectives.

These meetings can be held weekly, monthly, or as often as you see fit. Ensure that your team knows that attendance is mandatory. This makes the progress feedback more accurate and allows you to make plans for moving forward.

When holding these meetings, be sure to have a clear idea of what you want to cover. Some objectives should include:

- Following Up on Peer Reviews
- Discussing Praises and Areas that Need Work with the Team
- Recognizing Those Team Members Actively Meeting their Goals and Objectives with Rewards or Incentives
- Discussing Plans for The Next Phase of Projects
- Discussing Company Data: Revenue, Customer Involvement, Marketing and Campaign Success, Etc.

Definition of 'Performance Planning'

Definition: Performance planning is a systematic and structured approach to successfully achieve the desired goals of an individual or team throughout the assessment year. A plan is chalked out for the team or an individual(s) keeping in mind the broader objectives of the organisation.

Description: Performance planning is a crucial part of an employee's growth in the organisation. An effective performance planning system will be easy to understand, as well as to implement. It would also be accurate enough to provide the performance of an employee throughout the year.

There are four basic objectives of performance planning. The first one is to communicate basic responsibilities that the individual has to perform on a daily basis. It could be reporting, data management, etc.

The second objective is to remove any vagueness in the goals and objectives that the individual has to achieve in the year or time period specified by the team leader.

The third is to identify and build on the competencies of an individual for doing the job. This helps in making employees more productive.

The fourth is to create an adequate career development plan for the individual which would keep him/her motivated. If an employee is well aware of his/her career as well as growth plan, he/she will be self-motivated.

The performance planning tool should be effective in monitoring as well as measuring the results. It should identify key performance levels which can easily be quantifiable. Performance metrics which are easy to identify are helpful in making comparisons.



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The performance plan laid out would also be helpful in enlisting various training programs which employees can take to increase knowledge and productivity.

Normally, there is no specific format in making a performance plan, but it should have these four parameters. The first is to list the goals, the second is that it should contain various performance measures. The third one is that the performance planning should enlist various measures or action required to achieve desired goals, and the last one is that it should have a given time period for all goals.



Steps to Effective Performance Planning

- Step 1: Mission Review
- Step 2: Organizational Mandates
- Step 3: "Back to the Future"
- Step 4: Envisioning the Future
- Step 5: SWOT
- Step 6: Planning Themes
- Step 7: Setting Out the Steps and Time Frame
- Step 8: Bringing It All Together-Writing the Plan
- Step 9: Reviewing and Revising the Mission
- Step 10: Adopting the Plan
- Step 11: Checking Progress on the Plan

Approaches to Measuring Performance

Approaches to Measuring Performance

- Trait Approach
 - Emphasizes individual traits of employees
- Behavior Approach
 - Emphasizes how employees do the job
- Results Approach
 - Emphasizes what employees produce



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Behavior Approach Emphasizes how employees do the job Results
Approach Emphasizes what employees produce?
Trait Approach Emphasizes individual traits of employees

The origin of performance management: the job description

The job description – which is a collective term for the specification of the nature of the work, the occupation concerned and the tasks associated with it – is a mandatory component of the work contract (the instrument of appointment). The practice whereby the job to be filled is described by some general term such as office employee, administration employee, assistant, etc., which does not refer to the actual tasks, is inadequate.

Why is the job description the basis of performance management? Because it links a certain job (shop assistant, secretary, nurse, turner, sales assistant etc.) to different tasks and requirements, since a job is always part of a given organisation and hence its description must reflect the specific strategy, goals, habits, culture of the organisation.

The goal of the job description is to communicate to the person who is to fill the job the general expectations; to provide for scheduled requirements; to define the place of the job within the organisation.

The job description is not part of the work contract. The employer providing an itemised task list in the work contract will tie his own hands, since any amendment thereof would be conditional on the agreement of both two parties, whereas the job description can be modified by the employer unilaterally, according to the changing circumstances.

DEFINE PERFORMANCE STANDARDS

Definition, considerations

While the list of **Major Job Duties** tells the employee *what* is to be done, performance standards provide the employee with specific performance expectations for each major duty. They are the observable behaviors and actions which explain *how* the job is to be done, plus the results that are expected for satisfactory job performance. They tell the employee what a good job looks like. The purpose of performance standards is to communicate expectations. Some supervisors prefer to make them as specific as possible, and some prefer to use them as talking points with the specificity defined in the discussion. Keep in mind that good performance typically involves more than technical expertise. You also expect certain behaviors (e.g. friendliness, helpfulness, courteousness, punctuality, etc.) It is often these behaviors that determine whether performance is acceptable. Performance standards are:

- Based on the position, not the individual
- Observable, specific indicators of success
- Meaningful, reasonable and attainable
- Describe "fully satisfactory" performance once trained
- Expressed in terms of Quantity, Quality, Timeliness, Cost, Safety, or Outcomes



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In determining performance standards, consider the following:

- What does a good job look like?
- How many or how much is needed?
- How long should it take?
- When are the results needed?
- How accurate or how good is acceptable?
- Are there budget considerations?
- Are there safety considerations?
- Are there legislative or regulatory requirements that require strict adherence? □ Are there behaviors that are expected in your department to promote teamwork, leadership, creativity, customer service?
- What results would be considered satisfactory?
- What condition will exist when the duty is well performed?
- What is the difference between good and poor performance?

Key Result Areas refer to general **areas** of outputs or outcomes for which the department's role is responsible. **Key Performance Areas** are the **areas** within the business unit, for which an individual or group is logically responsible



CHARACTERISTICS OF EFFECTIVE PERFORMANCE METRICS

1. Strategic. To create effective performance metrics, you must start at the end point--with the goals, objectives or outcomes you want to achieve--and then work backwards. A good performance metric embodies a strategic objective. It is designed to help the organization monitor whether it is on track to achieve its goals. The sum of all performance metrics in organization (along with the objectives they support) tells the story of the organization's strategy.

2. Simple. Performance metrics must be understandable. Employees must know what is being measured, how it is calculated, what the targets are, how incentives work, and, more importantly, what they can do to affect the outcome in a positive direction. Complex KPIs that consist of indexes, ratios, or multiple calculations are difficult to understand and, more importantly, not clearly actionable.

"We hold forums where we show field technicians how our repeat call metric works and how it might impact them. We then have the best technicians meet with others to discuss strategy and



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techniques that they use to positively influence the metric," says a director of customer management at an energy services provider.

3. Owned. Every performance metric needs an owner who is held accountable for its outcome. Some companies assign two or more owners to a metric to engender teamwork. Companies often embed these metrics into job descriptions and performance reviews. Without accountability, measures are meaningless.

4. Actionable. Metrics should be actionable. That is, if a metric trends downward, employees should know what corrective actions to take to improve performance. There is no purpose in measuring activity if users cannot change the outcome. Showing that sales are falling isn't very actionable; showing that sales of a specific segment of customers is falling compared to others is more actionable.

Actionable metrics require employees who are empowered to take action. Managers must delegate sufficient authority to subordinates so they can make decisions on their own about how to address situations as they arise. This seems obvious, but many organizations hamstring workers by circumscribing the actions they can take to meet goals. Companies with hierarchical cultures often have difficulty here, especially when dealing with front-line workers whose actions they have historically scripted. These companies need to replace scripts with guidelines that give users more leeway to solve problems in their own novel ways.

5. Timely. Actionable metrics require timely data. Performance metrics must be updated frequently enough so the accountable individual or team can intervene to improve performance before it is too late. Some people argue that executives do not need actionable or timely information because they primarily make strategic decisions for which monthly updates are good enough. However, the most powerful change agent in an organization is a top executive armed with an actionable KPI.

6. Referenceable. For users to trust a performance metric, they must understand its origins. This means every metric should give users the option to view its metadata, including the name of the owner, the time the metric was last updated, how it was calculated, systems of origin, and so on. Most BI professionals have learned the hard way that if users don't trust the data, they won't use it. The same is true for performance metrics.

7. Accurate. It is difficult to create performance metrics that accurately measure an activity. Part of this stems from the underlying data, which often needs to be scanned for defects, standardized, deduped, and integrated before displaying to users. Poor systems data creates lousy performance metrics that users won't trust. Garbage in, garbage out. Companies should avoid creating metrics when the condition of source data is suspect.

Accuracy is also hard to achieve because of the way metrics are calculated. For example, a company may see a jump in worker productivity, but the increase is due more to an uptick in inflation than internal performance improvements. This is because the company calculates worker productivity by dividing revenues by the total number of workers. Thus, a rise in the inflation rate, which artificially boosts revenues—which is the numerator in the metric—increases worker productivity even though workers did not become more efficient.

Also, it is easy to create metrics that do not accurately measure the intended objective. For example, many organizations struggle to find a metric to measure employee satisfaction or dissatisfaction. Some might ask users in surveys but it's unclear whether employees will answer



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questions truthfully. Others might use the absenteeism rate but this might be skewed by employees who miss work to attend a funeral, care for sick family members, or stay home when daycare is unavailable.

8. Correlated. Performance metrics are designed to drive desired outcomes. Many organizations create performance metrics but never calculate the degree to which they influence the behaviors or outcomes they want. Companies must continually refresh performance metrics to ensure they drive the desired outcomes.

9. Game-proof. Organizations need to test all performance metrics to ensure that workers can't circumvent them out of laziness or greed or go through the motions to make a red light turn green without making substantive changes. "Users always look for loopholes in your metrics," says one BI manager. To prevent users from "fudging" customer satisfaction numbers, one company hires a market research firm to audit customer surveys.

10. Aligned. It's important that performance metrics are aligned with corporate objectives and don't unintentionally undermine each other, a phenomenon called "sub-optimization." To align metrics, you need to devise them together in the context of an entire ecosystem designed to drive certain behaviors and avoid others.

11. Standardized. A big challenge in creating performance metrics is getting people to agree on the definitions of terms, such as sales, profits, or customer, that comprise most of the metrics. Standardizing terms is critical if organizations are going to distribute performance dashboards to different groups at multiple levels of the organization and roll up the results. Without standards, the organization risks spinning off multiple, inconsistent performance dashboards whose information cannot be easily reconciled.

12. Relevant. A performance metric has a natural life cycle. When first introduced, the performance metric energizes the workforce and performance improves. Over time, the metric loses its impact and must be refreshed, revised, or discarded.

PERFORMANCE APPRAISAL is defined by Wayne Cascio as "the systematic description of employee's job relevant, strength, weakness. Performance appraisal may be conducted once in every 6 months or once in a year. The basic idea of the appraisal is to evaluate the performance of the employee, giving him a feed back. Identify areas where improvement is required so that training can be provided. Give incentives and bonus to encourage employees etc.



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METHOD OF PERFORMANCE APPRAISAL

METHODS OF PERFORMANCE APPRAISAL



Performance appraisal is defined by Wayne Cascio as “the systematic description of employee’s job relevant, strength, weakness. Companies use different methods of appraisal for identifying and appraising the skills and qualities of their employees. The different methods used can be explained with the help of following diagram.

Methods of performance appraisal Traditional method Modern method

1. Check list method
2. Confidential report
3. Critical incident method
4. Ranking method
5. Graphic rating scale
6. Narrated essay
7. 360* Appraisal

Traditional method

Traditional method of performance appraisal has been used by companies for very long time. A common feature of these methods is they are all relatively simple and involve appraisal by one senior.

1. Check list method :- In this method the senior, the boss is given a list of questions about the junior. These questions are followed by check boxes. The superior has to put a tick mark in any one of the boxes

This method can be explained with the following eg. Y N Does the employee have leadership qualities? Y N Is the employee capable of group efforts? Y N Has the employee shown analytical skills? on the job As seen in the above eg. A questioner containing questions is given to the senior. This method is an extremely simple method and does not involve a lot of time. The same set of questioners can be given for every employee so that there is uniformity in selecting employee.

2. Confidential report: - This method is very popular in government departments to appraise IAS officers and other high level officials. In this method the senior or the boss writes a report about the junior giving him details about the performance about the employee. The +ve and – ve



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traits, responsibilities handled on the job and recommendations for future incentives or promotions. The report is kept highly confidential and access to the report is limited.

3. Critical incident method :- In this method critical or important incidents which have taken place on this job are noted down along with employee's behavior and reaction in all these situations. Both +ve and -ve incidents are mentioned. This is followed by an analysis of the person, his abilities and talent, recommendations for the future incentives and promotions.

4. Ranking method :- In this method ranks are given to employees based on their performance. There are different methods of ranking employees. Simple ranking method Alternate ranking method Paired comparison method

i. Simple ranking method: - Simple ranking method refers to ranks in serial order from the best employee eg. If we have to rank 10 best employees we start with the first best employee and give him the first rank this is followed by the 2nd best and so on until all 10 have been given ranks.

ii. Alternate ranking: - In this method the serial alternates between the best and the worst employee. The best employee is given rank 1 and then we move to the worst employee and give him rank 10 again to 2nd best employee and give him rank 2 and so on.

iii. Paired comparison: - In this method each and every person in the group, department or team is compared with every other person in the team/group/department. The comparison is made on certain criteria and finally ranks are given. This method is superior because it compares each and every person on certain qualities and provides a ranking on that basis.

5. Graphic rating scale :- Graphic rating scale refers to using specific factors to appraise people. The entire appraisal is presented in the form of a chart. The chart contains certain columns which indicate qualities which are being appraised and other columns which specify the rank to be given. Eg. Employee A Quality of work Quantity of work Intelligence Excellent Very good good satisfactory poor The senior has to put a tick mark for a particular quality along with the ranking. Such charts are prepared for every employee. According to the department in which they work. Sometimes the qualities which are judged may change depending upon the department.

6. Narrated essay :- In this method the senior or the boss is supposed to write a narrative essay describing the qualities of his junior. He may describe the employees strength and weakness, analytical abilities etc. the narrative essay ends with a recommendation for future promotion or for future incentives. Modern methods Modern methods of appraisal are being increasingly used by companies. Now days one of the striving feature that appraisal involves is, the opinion of many people about the employee and in some cases psychological test are used to analyze the ability of employee.

These methods are as follows

1. Role analysis :- In this method of appraisal the person who is being appraised is called the focal point and the members of his group who are appraising him are called role set members. These role set members identify key result areas (KRA 2 marks) (areas where you want improvement are called KRA) which have to be achieved by the employee. The KRA and their improvement will determine the amount of incentives and benefits which the employee will receive in future. The appraisal depends upon what role set members have to say about the employee.



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2. Assessment centers :- Assessment centers (AC) are places where the employee's are assessed on certain qualities talents and skills which they possess. This method is used for selection as well as for appraisal. The people who attend assessment centers are given management games, psychological test, puzzles, questioners about different management related situations etc. based on their performance in these test an games appraisal is done.

3. Management by objective :- This method was given by Petter Druckard in 1974. It was intended to be a method of group decision making. It can be use for performance appraisal also. In this method all members of the of the department starting from the lowest level employee to the highest level employee together discus, fix target goals to be achieved, plan for achieving these goals and work together to achieve them. The seniors in the department get an opportunity to observe their junior- group efforts, communication skills, knowledge levels, interest levels etc. based on this appraisal is done.

4. Behavioral anchored rating scale :- In this method the appraisal is done to test the attitude of the employee towards his job. Normally people with +ve approach or attitude view and perform their job differently as compared to people with a -ve approach.

5. Psychological testing :- In this method clinically approved psychological test are conducted to identify and appraise the employee. A feedback is given to the employee and areas of improvement are identified.

6. Human resource audit/accounting :- In this method the expenditure on the employee is compared with the income received due to the efforts of the employee. A comparison is made to find out the utility of the employee to the organization. The appraisal informs the employee about his contribution to the company and what is expected in future.

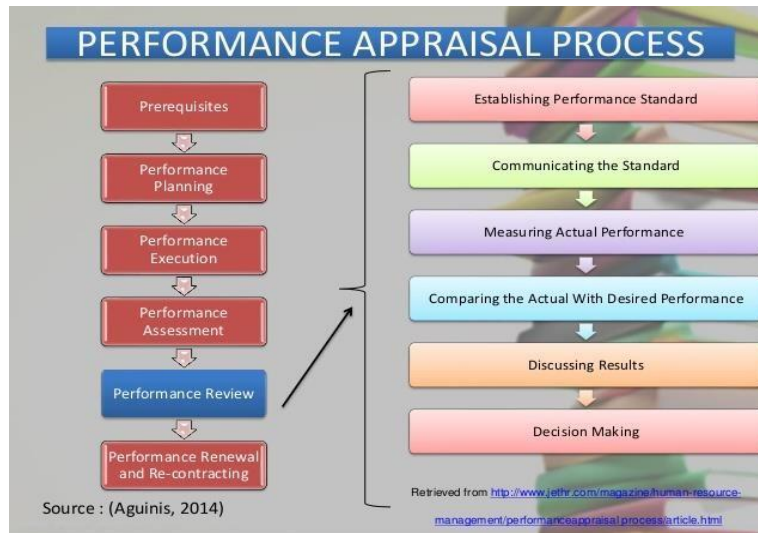
7. 360* appraisal :- In this method of appraisal and all round approach is adopted. Feedback about the employee is taken from the employee himself, his superiors, his juniors, his colleagues, customers he deals with, financial institutions and other people he deals with etc. Based on all these observations an appraisal is made and feedback is given. This is one of the most popular methods.

PROCESS OF PERFORMANCE APPRAISAL



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Performance appraisal is defined by Wayne Cascio as “the systematic description of employee’s job relevant, strength, weakness. Process of performance appraisal followed by different companies is different. A general procedure is explained below with the help of a diagram.

Process of performance appraisal

Setting performance standards

Communicating standards set to the employee

Measuring performance

Comparing performance with standard Discussing result

Collective action

Implementation and review

1. Setting performance standards: - In this very first step in performance appraisal the HR department decides the standards of performance i.e. they decide what exactly is expected from the employee for each and every job. Sometimes certain marking scheme may be adopted eg. A score 90/100 = excellent performance, a score os 80/100 = good. And so on.

2. Communication standard set to the employee :- Standards of performance appraisal decided in 1st step are now conveyed to the employee so that the employee will know what is expected from him and will be able to improve his performance.

3. Measuring performance :- The performance of the employee is now measure by the HR department, different methods can be used to measure performance i.e. traditional and modern method. The method used depends upon the company’s convenience.

4. Comparing performance with standard :- The performance of the employee is now judged against the standard. To understand the score achieved by him. Accordingly we come to know



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which category of performance the employee falls into i.e. excellent, very good, good, satisfactory etc.

5. Discussing result: - The results obtained by the employee after performance appraisal are informed or conveyed to him by the HR department. A feedback is given to the employee asking him to change certain aspects of his performance and improve them.

6. Collective action: - The employee is given a chance or opportunity to improve himself in the areas specified by the HR department. The HR department constantly receives or keeps a check on the employee's performance and notes down improvements in performance.

7. Implementation and review :- The performance appraisal policy is to be implemented on a regular basis. A review must be done from time to time to check whether any change in policy is required. Necessary changes are made from time to time.

LIMITATIONS OF PERFORMANCE APPRAISAL

Performance appraisal is defined by Wayne Cascio as "the systematic description of employee's job relevant, strength, weakness. The following are the limitations of performance appraisal

1. Halo effect :- In this case the superior appraises the person on certain positive qualities only. The negative traits are not considered. Such an appraisal will not give a true picture about the employee. And in some cases employees who do not deserve promotions may get it.

2. Horn effect :- In this case only the negative qualities of the employee are considered and based on this appraisal is done. This again will not help the organization because such appraisal may not present a true picture about the employee.

3. Central tendency :- In this case the superior gives an appraisal by giving central values. This prevents a really talented employee from getting promotions he deserves and some employees who do not deserve anything may get promotion.

4. Leniency and strictness :- Some bosses are lenient in grading their employees while some are very strict. Employee who really deserves promotions may lose the opportunity due to strict bosses while those who may not deserve may get benefits due to lenient boss.

5. Spill over effect :- In this case the employee is judged +vely or -vely by the boss depending upon the past performance. Therefore although the employee may have improved performance, he may still not get the benefit.

6. Fear of losing subordinates and spoiling relations :- Many bosses do not wish to spoil their relations with their subordinates. Therefore when they appraise the employee they may end up giving higher grades which are not required. This is an injustice to really deserving employees.

7. Goodwill and techniques to be used :- Sometimes a very strict appraisal may affect the goodwill between senior and junior. Similarly when different departments in the same company use different methods of appraisal it becomes very difficult to compare employees.



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8. Paper work and personal biased :- Appraisal involves a lot of paper work. Due to this the work load of HR department increases. Personal bias and prejudice result in bosses favoring certain people and not favoring others.

ADVANTAGES /NEEDS/ IMPORTANCE/USE/ PURPOSE OF PERFORMANCE APPRAISAL

Performance appraisal is defined by Wayne Cascio as “the systematic description of employee’s job relevant, strength, weakness.

1. Feedback to the employee :- Performance appraisal is beneficial because it provides feedback to the employee about his performance. It identifies the areas for improvement so that employee can improve itself.

2. Training and development: - Due to performance appraisal it is easy to understand what type of training is required for each employee to improve himself accordingly training programs can be arranged.

3. Helps to decide promotion: - Performance appraisal provides a report about the employee. Based on this report future promotions are decided, incentives, salary increase is decided.

4. Validation of selection process: - Through performance appraisal the HR department can identify whether any changes are required in the selection process of the company normally a sound selection process results in better performance and positive appraisal.

5. Deciding transfers and lay off of the worker: - Employee with specific talent can be transferred to places where their talents are utilized properly; similarly decisions regarding termination of employees depend upon performance appraisal reports.

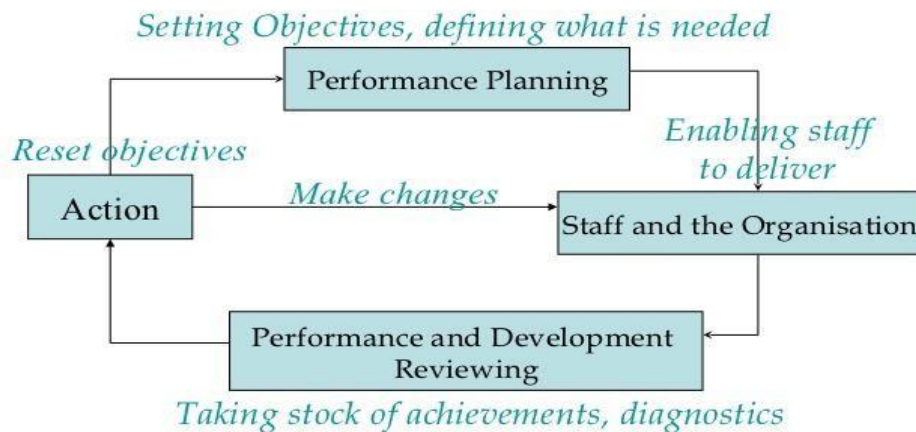
6. Human resource planning and career development:- Companies can plan for future vacancies at higher levels based on performance appraisal reports. Similarly career planning can be done for the employee on the performance appraisal report.

Stock-taking or "inventory checking" is the physical verification of the quantities and condition of items held in an [inventory](#) or [warehouse](#). This may be done to provide an [audit](#) of existing stock. It is also the source of stock discrepancy information.

Annual stock-taking of performance is basically a performance audit function which apart from usual employee evaluations emphasize on measuring the proper alignment of performance results with the organizations’ and employees’ growth. For organization, stock-taking of performance helps in achieving the goals by optimizing staff performance, duly identifying the strengths and weaknesses. For employees, on the other hand it helps in providing guidance to perform their jobs and also help in defining their career path.



Performance Management Cycle



APPROACHES TO PERFORMANCE APPRAISAL

To appraise the performance of employees, organizations adopt various approaches. Performance appraisal per se is a multistage process. In line with Einstein and LeMere-Labonte (1989) and Monga (1983), such approaches can be listed as under:

- **Intuitive approach**—With this approach, managers appraise the employees' performance on the basis of their perception and external behaviour.
- **Self-appraisal approach**—This approach appraises the employees with standard common format.
- **Group approach**—This approach appraises employees' group performance by a. □
Trait approach—This approach focusses on appraisal of employees' performance on the basis of dimension of multiple traits such as personality, integrity, honesty, dependability, ...

Three approaches are to be adapted to [performance appraisal](#). These approaches are discussed below:

1. Trait Approach: As the term implies, this approach involves rating the individual employee's personal traits or characteristics such as initiative, decisiveness and dependability. Though used commonly by management, this approach is considered to be the weakest. This basically arises from the fact that these traits are ambiguous relative the actual job performance and the needed improvement. Appraising someone having low initiative does not say anything precise about how to improve. Also this can trigger a defensive reaction on the part of the employee being appraised.

2. Behavioral Approach: Approach points directly to the persons' actual work behavior rather than a trait like his or her personality. For example, it can be focused to seek information as to



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the employee works alone on all projects, on most projects or about half of projects. Similarly, whether he or she teams up with others on major project or works alone on all major projects. When these behavioral patterns are coupled with performance rating, [appraisal](#) is enhanced.

3. Results Approach: This approach focuses on the product or the outcome of one's effort. It seeks to identify and evaluate what has been accomplished by an employee subject to [appraisal](#). Management by objectives (MBO) is usually regarded as the most appropriate format for using the results approach.

[Performance appraisal](#) is undertaken to serve a variety of management purposes. The controversy regarding which approach is best can only be resolved when you consider the reasons for doing the appraisals. Hence, the contingency approach has an overarching consideration here.

<h3>Why Appraisals Are Important</h3> <ul style="list-style-type: none">▪ Set goals▪ Recognize performance▪ Guide progress▪ Identify problems▪ Improve performance▪ Discuss career advancement	<h3>How Managers can apply the systems approach</h3> <ul style="list-style-type: none">• The system view looks at factors such as-• Relation with the environment• The efficiency with which the org. transforms inputs into outputs• The clarity of internal communications.• The level of conflict among the group• The degree of job satisfaction
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What is 'Performance Audit'?

- Performance Audit is "... a systematic, purposeful, organized and objective examination of government activities; ... designed to promote accountable government; ... includes the examination of economy, efficiency, cost effectiveness and environmental effects of government activities ..."
- "A focus on performance covers both the benefits accomplished for [citizens] and due process and fairness in the delivery of services".

(Excerpts adapted from the Performance Audit Manual, Office of the Auditor General of Canada - June 2004; pages 13 and 17)

Leader One Inc

5



Introducing Performance Auditing in Supreme Audit Institutions - The concept of performance audit

CONCEPT OF PERFORMANCE AUDIT

A common definition

Audit the economy, efficiency and effectiveness of the employment of available resources.

The Portuguese Court of Auditors definition

Audit which aims to assess the basic management of an entity which consists of evaluating the assessment of the results in relation to objectives, security and management of means used in the decisions made and the actions taken, as well as the legal compliance of actions .

The INTOSAI definition (ISSAI 300)

As carried out by SAIs, performance auditing is an independent, objective and reliable examination of whether government undertakings, systems, operations, programmes, activities or organisations are operating in accordance with the principles of economy, efficiency and effectiveness and whether there is room for improvement.

A joint initiative of the OECD and the European Union, principally financed by the EU



OECD

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ELEMENTS OF THE QUALITY MANAGEMENT SYSTEM FOR PERFORMANCE AUDITS

Leadership and Planning

Strategic Direction
Selecting the Audit
Operational Planning
Methodology

Audit Management

Planning
Examination
Reporting
Finalization of Audit Files
Evidence
Consultation
Independence
Security, Access, and File Retention

Client Focus

Communicating Audit Messages
Feedback from Client and Stakeholders
Effective Reporting

People

Resourcing
Leadership and Supervision
Respectful Workplace
Performance Management
Professional Development

Continuous Improvement

Practice Review
Lessons Learned



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OTHER PERFORMANCE MANAGEMENT AND DEVELOPMENT ISSUES

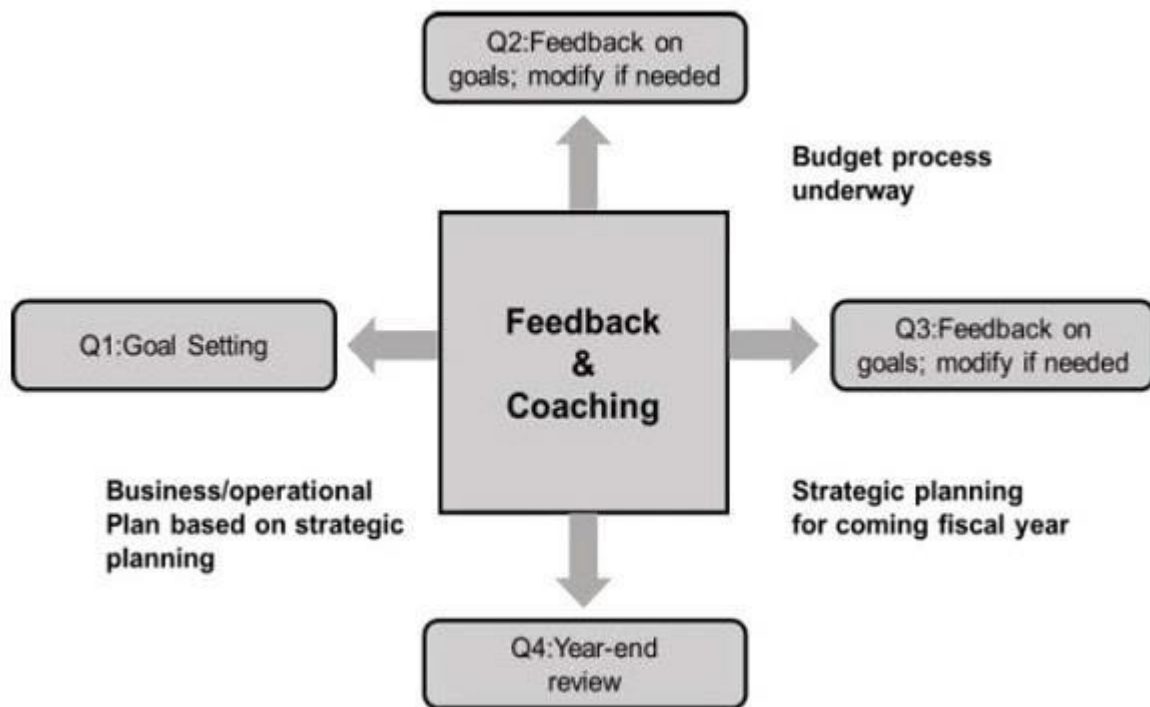
Coaching is a personal (usually one-to-one) on-the-job approach that helps people develop their skills and levels of competence. The need for coaching may arise from formal or informal performance reviews but opportunities for coaching will emerge during normal day-to-day activities.

Every time a manager delegates a new task to someone, a coaching opportunity is created to help the individual learn any new skills or techniques needed to get the job done. Every time a manager provides feedback to an individual after a task has been completed there is an opportunity to help that individual perform better next time.

The Coaching Process

Coaching as part of the normal process of management consists of –

- Making people aware of how well they are performing by, for example, asking them questions to establish the extent to which they have thought through what they are doing.



- Controlled delegation – ensuring that individuals not only know what is expected of them but also understand what they need to know and be able to do to complete the task satisfactorily. This gives managers an opportunity to provide guidance at the outset – guidance at a later stage may be seen as interference.
- Using whatever situations may arise as opportunities to promote learning.
- Encouraging people to look at higher-level problems and how they would tackle them.



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Coaching skills

Coaching will be most effective when the coach understands that his or her role is to help people to learn and individuals are motivated to learn. They should be aware that their present level of knowledge or skill or their behavior needs to be improved if they are going to perform their work to their own and to others' satisfaction.

Individuals should be given guidance on what they should be learning and feedback on how they are doing and, because learning is an active not a passive process, they should be actively involved with their coach who should be constructive, building on strengths and experience.

Counseling is the activity of the **counselor**, or a professional who counsels people, especially on personal problems and difficulties professional guidance of the individual by utilizing psychological methods especially in collecting case history data, using various techniques of the personal interview, and testing interests and aptitudes.

The **counselling process** is a planned, structured dialogue between a **counsellor** and a client.
• It is a cooperative **process** in which a trained professional helps a person called the client to identify sources of difficulties or concerns that he or she is experiencing.

FUNCTIONS OF COUNSELING

The main objective of Counselling is to help the employee attain a better mental, emotional and physical health. A counsellor is the one who can help a person realize a better tomorrow by the attainment of self- confidence, self-development, patience and self-growth. The objectives of counselling are achieved through the counselling functions.

Functions of Employee Counselling

The counselling functions are the activities that can be done by counselling. The functions are:

1. **Advice;**
Advice giving is not desired for counselling, as it is a process of self- growth which advising would hamper. But many a time's counsellors do have to advise so as to show/ guide the counselled towards a path of action.
2. **Reassurance:**
Counselling has to provide reassurance to the employee that he or she is progressing well and moving towards achieving the desired goal. Reassurance here can be meant as encouragement also. This is mostly in the case of the mid career managers where counsellor can only reassure that everything will work out Employees' Counselling fine and also encourage him or her to work as the desired goal is within reach.
3. **Communication:**
Counselling is mostly about proper communication. A proper communication is required to pass the employee problems to the management and also to air the views of the management to the employees. Communication skills such as listening, providing feedback and so on are required for an effective counselling session.
4. **Release of Emotional Tension:**



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Counselling gives a scope to the employees to release their emotional tension. Emotional outbursts help the employee to release one's anger and frustration to a sympathetic listener, which in turn helps in subsiding the tension.

5. **Clarified Thinking:**

Discussing one's problem with someone helps the person to see those points and facts which have been overlooked earlier due to emotional involvement with the problem. The counsellor is not required to guide the person in such a case, as only listening to the outpouring will help. Once the counselled person starts speaking very soon many facts are clarified as the counselled starts thinking aloud which in turn results in rational and logical thinking and helps in solving the problems, real or imaginary.

6. **Reorientation:**

Reorientation is a result of clear thinking which helps an employee to assess oneself - one's potential and limitation and in accordance to them set new goals and values. Reorientation leads a person to have a better self-image and it also helps to treat the patients of depression. A clear self-image leads to be a more confident person and also a more effective worker.

What is Mentoring ?

- Mentoring from the Greek word meaning “enduring” is defined as a sustained relationship between a youth and an adult. Through continued involvement the adult (usually older & always more experienced) offers support, guidance and assistance as the younger person goes through a difficult period, faces new challenges, or works to correct earlier problems.

Mentoring is thus a development-oriented initiative.

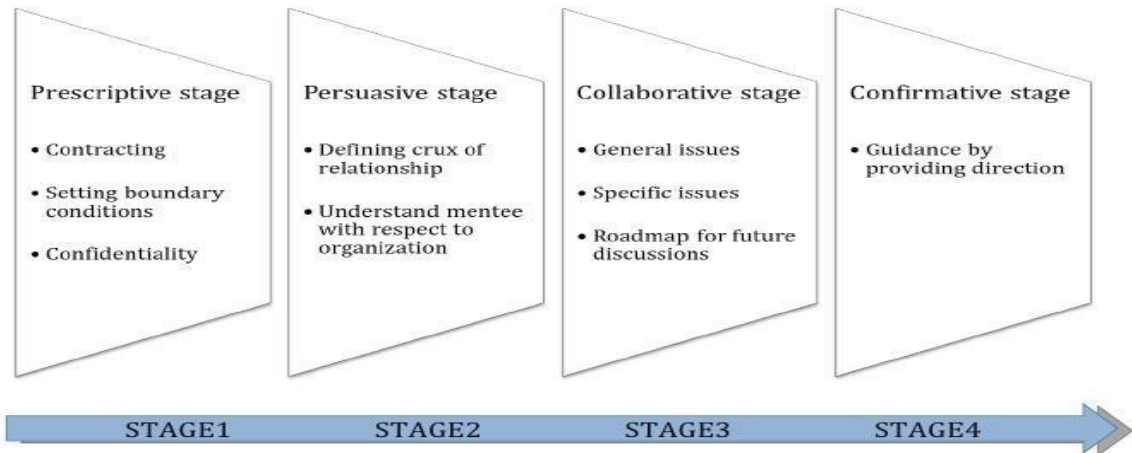
WHAT IS MENTORING?

- ◎ Mentoring is typically defined as a “sustained relationship between a young person and an adult in which the adult provides the young person which support, guidance, and assistance.
- ◎ Mentoring may assume many forms and fulfill a variety of objectives.
 - Traditional One-to-One Mentoring
 - Team Mentoring
 - E-Mentoring or Online Mentoring
 - Group Mentoring
 - Peer Mentoring





Stages of Mentoring



Typical characteristics of a mentor:

- Supportive ✓
- Encouraging ✓
- Motivating ✓
- Empowering ✓
- Knowledgeable ✓
- Active listener ✓
- Good communicator ✓
- Offers advice ✓
- Challenges the mentee ✓

What characteristics should a Mentor have?

- **Leadership** – The Mentor should be able to influence the mentee to achieve certain objectives.
- **Self-knowledge** – The Mentor should be aware of his/her likes, dislike and beliefs.
- **Commitment to the development of people** – The Mentor should be willing to develop and motivate others.
- **The ability to act as sponsor, teacher, 'insider', encourager and supporter, counsellor and advisor to the mentee.**

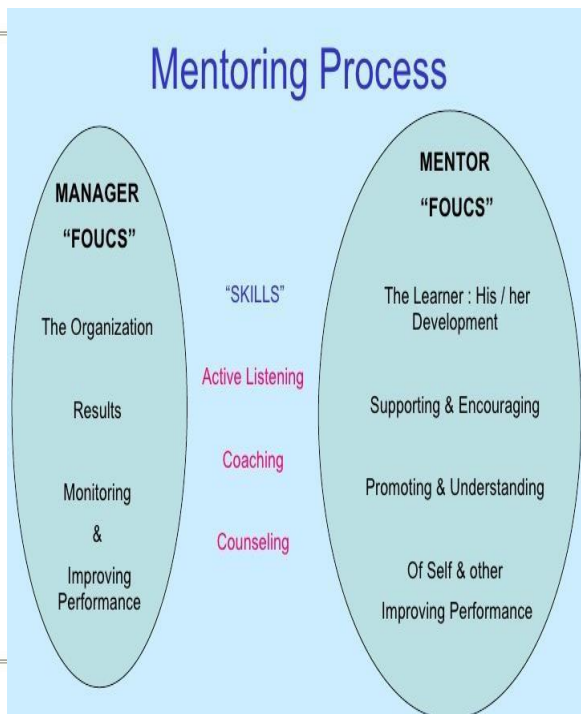


Principles of Mentoring

- Synergy -
 - Mentoring should be enriching for both mentor and mentee
 - Mentoring is about learning and not teaching
 - Mentee is empowered to take responsibility of his/her actions

- Relationship -
 - Mentoring is a power-free partnership between two individuals
 - Focus is not to make mentee dependent but to develop mentee's independent critical thinking

- Uniqueness -
 - Understanding the concept of mentoring and how it is different from coaching and counseling is important
 - Mentoring must provide direction in order to channelize efforts in the right direction



The Benefits of Mentoring

Organisational	Mentor	Mentee/Learner
<ul style="list-style-type: none"> • Widening of skills base and competencies in line with the organisation's strategic goals • Increased staff morale and job satisfaction • Reduction in the service/education gap • Alternative to external training, more cost effective personal development programme • Develops habits of trust and confidentiality • Gives senior management a more informed view of the organisation' talent • Use for succession planning • Helps achieve mission/vision 	<ul style="list-style-type: none"> • Improves awareness of own learning gaps • Develops ability to give and take criticism • Develops up-to-date organisational and professional knowledge • Offers networking opportunities • Improves leadership, organisational and communication skills • Develops ability to challenge, stimulate and reflect • Raises profile within organisation • Increases job satisfaction • Offers opportunity to pass on knowledge, experience • Provides stimulation 	<ul style="list-style-type: none"> • Develops learning, analytical and reflective skills • Develops organisational and professional knowledge • Develops political awareness • Develops own practice • Develops or reinforces self-confidence and willingness to take risks • Develops ability to accept criticism • Supports through transition • May accelerate professional development • Develops autonomy and independence • Increases maturity • Broadens horizons • Increases job satisfaction • Reduces reality shock • Offers opportunities for effective
<ul style="list-style-type: none"> • Develops a mature management population • Improved quality of service through increased competence and confidence of supported practitioners • Improves teamwork and co-operation 	<ul style="list-style-type: none"> • May offer career advancement opportunities 	<ul style="list-style-type: none"> • role modelling • Encourages ongoing learning and developing and identifying learning opportunities in the working situation • Facilitates peer relationships • Develops increased reflective practitioner skills • Offers individualised one-to-one teaching and opportunities for experiential learning • Offers help with problem solving



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Types of Mentoring

One-on-One Mentoring

- Peer Mentoring
- Reverse Mentoring
- Supervisory Mentoring

Group Mentoring

- Facilitated Group Mentoring
- Team Mentoring
- Peer Mentoring Group

Types of Mentoring

- | | |
|--------------------------|-------------------------------|
| • Formal | • Informal |
| • Traditional/One-on-one | • Situational/Flash mentoring |
| • Peer | • E-Mentoring |
| • Group | • Reverse |



Formal Facilitated Mentoring

- **Designed to build an entire culture of internal mentoring, support and development**
- **Formal facilitated mentoring programs are structured programs in which an organization facilitates a mentors – protégé relationship**
- **They may target one special segment of the organization where career development may be lagging behind that of others (for example, women) to help that group advance further**
- **They may assign mentors to protégés and monitor the progress of the mentoring connection**

Developing 21st Century Leaders

What is Group Mentoring?

It is an association of individuals whose purpose is to promote the professional development of its members with the assistance of a [Mentoring Group Leader](#). This group-oriented experience provides numerous kinds of mentoring assistance including information sharing, advice, social support, coaching, counseling and empowering individuals to greater competency.

Differences Between 1-on-1 and Group Mentoring:



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Group Mentoring is a system with its own rules and guidelines that make it unique to all other groups as well.

<u>1-on-1 Mentoring</u>	<u>Group Mentoring</u>
<ul style="list-style-type: none"> ▪ Focused on individual development ▪ Most personal ▪ Overall development focus ▪ Confidential and safe ▪ Bi-directional ▪ Expertise from mentor to mentoree ▪ Senior mentoring ▪ Less demand on time ▪ Scheduling easier 	<ul style="list-style-type: none"> ▪ Focused on multiple development ▪ Less personal ▪ More coachable/topical ▪ Confidential but with limitations ▪ Multi-directional ▪ Expertise from multiple directions ▪ Peer and senior mentoring combined ▪ Less demand on time More time demands ▪ Scheduling a challenge ▪ Group dynamics
<ul style="list-style-type: none"> ▪ Personal dynamics ▪ Limited number of mentorees ▪ No competition in relationship ▪ Networking limited ▪ Individual projects 	<ul style="list-style-type: none"> ▪ Larger number of mentorees possible ▪ Competition a factor in groups ▪ Easier to network ▪ Group projects

Advantages to Group Mentoring:

- Support comes not only from the Mentoring Group Leader (MGL) but from peers within the group
- Provides for greater exposure to multiple levels of expertise and knowledge as each participant brings their own competencies to the group that can be shared
- Diversity within the group brings a diversity of perspective to issues as well as to a greater understanding and awareness of diversity in general as it relates to ethnicity, sex, etc.
- Provides for a greater number of individuals to benefit from mentoring as opposed to the limitations of a 1-on-1 mentoring program
- Group projects linked to group mentoring enhance the learning of participants and develop an understanding of how teams operate.
- Requires less commitment of resources than formal 1-on-1 mentoring programs

Disadvantages to Group Mentoring:



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- Each member has different needs that must be balanced against the overall group needs
- Does not offer the “personal” relationship that is the hallmark of a 1-on-1 mentoring relationship
- Scheduling a large number of individuals to meet regularly can be a challenge
- The element of confidentiality and safety may not be achieved to the level possible in a 1-on-1 relationship thus limiting the extent a member takes risks and learns
- Competition within a group can disrupt the success of a mentoring group
- Mentors need to understand and be comfortable with group dynamics and processes

What is Team Mentoring

“**Team mentoring** offers a methodology for facilitating the learning of an intact **team**. Together the individuals making up the **team** articulate mutual learning goals and work simultaneously with one or more mentors who guide them through a deliberate and deliberative process to facilitate their learning. The **mentoring** process allows the **team** to be supported and to learn from each other’s experience and knowledge” – Lois Zachary, Ed.D.

Mentoring	Coaching	Counselling	Supervision
Focus on career development	Focus on skills development	Focus on personal issues preventing career development	Focus on Academic achievement
Shows the way	Gap analysis	Identifying underlying behavioural problems or issues	Power imbalance in relationship
Agenda set by mentee	Identify weaknesses		
Shares experiences	Action plan		
Provides advice	Well-defined goals and strategies		
Provides networks	Addresses short term needs		

Potential appraisal

The potential appraisal refers to the appraisal i.e. identification of the hidden talents and skills of a person. The person might or might not be aware of them. Potential appraisal is a future – oriented appraisal whose main objective is to identify and evaluate the potential of the employees to assume higher positions and responsibilities in the organizational hierarchy. Many organisations consider and use potential appraisal as a part of the performance appraisal processes.



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The purposes of a potential review are:

1. to inform employees of their future prospects;
2. to enable the organisation to draft a management succession programme;
3. to update training and recruitment activities;
4. to advise employees about the work to be done to enhance their career opportunities

Techniques of potential appraisal:

1. Self – appraisals
2. Peer appraisals
3. Superior appraisals
4. MBO
5. Psychological and psychometric tests
6. Management games like role playing
7. Leadership exercises etc.

Potential appraisal helps to identify what can happen in future so that it can be guided and directed towards the achievement of individual and organizational growth and goals. Therefore, potential should be included as a part of the Performance appraisal in organisations.

Competency Mapping

Called in different names like “Competence Architecture”, “Competence management”, “Competence Development” etc, the basic concept of competency mapping is a way of assessing the strengths and weakness of an employee. It helps to

➤➤ Identify the ability of a person, knowledge and skills, initiatives, team spirit etc

➤➤ Understanding the ability in terms of management (For

example –

Skill of influencing and communication as negotiator and sales man)



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➤➤ Developing the ability to perform better and achieve the optimum

Let us see some definitions to understand the terminologies better.

Competency

United Nations Industrial Development Organisation defines Competency as, “A competency is a set of skills, related knowledge and attributes that allow an individual to successfully perform a task or an activity within a specific function or job.”

Competency Mapping

Competency Mapping is a process of identification and developing of the competencies required to perform successfully a given job or a set of tasks.

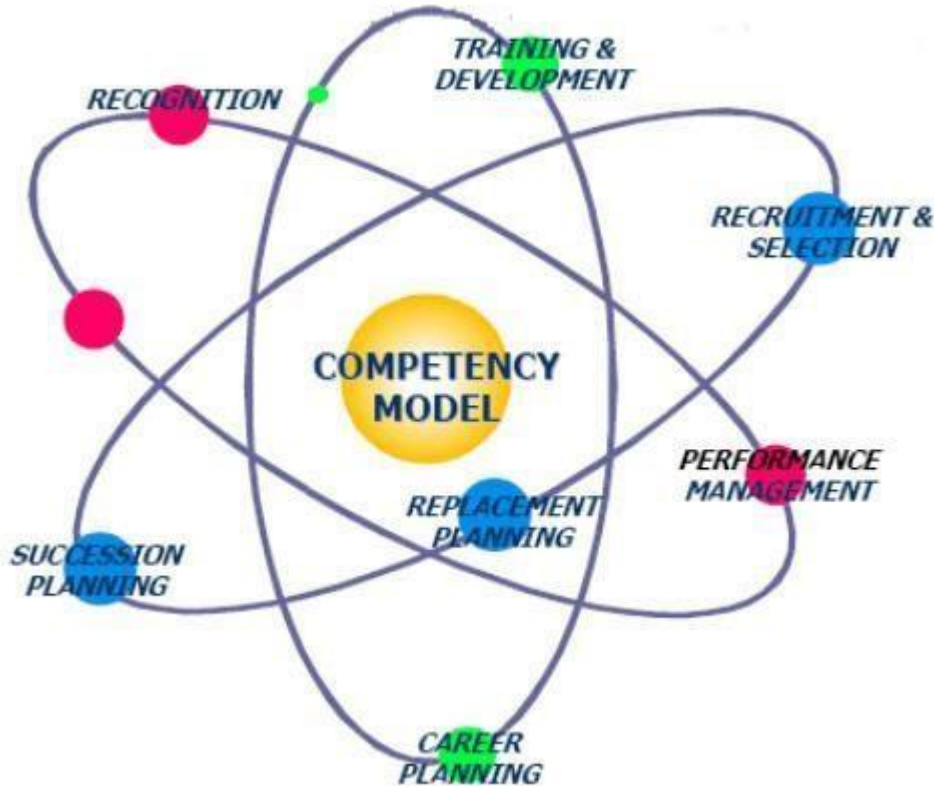
Competency Map

A competency map is a chart or diagram that represents the important skill sets needed to accomplish the given job.



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Competency based HR Management helps the organisation in various ways like recruiting competent employees, managing the performance well and converting the organisation into learning and knowledge based. It further helps in discovering the gaps in organisational competence structure as well as in personal career path. Organisations accept this technique as a better way to combine the capabilities of an employee into one job, and combine the capabilities of group of employees into one team. Career advancement and higher elevations are made possible with this method.

Basically the

1. Functional skills,
2. Behaviour and
3. Past performances are the three domains analyzed.



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In short, the competency method helps in

- ➤ Gap Analysis
- ➤ Role Clarity
- ➤ Succession Planning
- ➤ Growth Plans
- ➤ Restructuring
- ➤ Inventory of competencies for future planning

Functional Skills

The requirements to perform a job.

Behaviour Assessment

Personal abilities and skills such as analytical, logical, reasoning and decision making abilities, leadership and listening skills, team spirit, innovation and morale. Identifying the behavioural strength and weaknesses is not an easy task, because the intricacies of a person's behaviour are well disguised by them. Proper testing methods and questions are important in this method of identifying the complete picture of a person's behavioural assessment.

Past Performance

The history sheet of the employees past performance helps in mapping the competency. It gives a better understanding on the



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learning and growth rates, adaptability, leadership and decision making skills, error rates, etc.



MANAGEMENT PRACTICES IN INDIAN ORGANIZATIONS

TCS – Prestigious Award for best HR Practices

Tata Consultancy Services (TCS) has been rated the Netherlands' top information and communications technology employer of the year 2012. It has received the highest score (5 stars) in training and development, career possibilities, organization culture and innovation. The award came after a rigorous evaluation of HR practices among other leading firms in the Netherlands. The award underlines the high quality of TCS' human resource practices, focusing on personal growth and development of its employees worldwide, the company said in a release today. According to The Hindu,

“Strong employee involvement in social initiatives such as the TCS Amsterdam Marathon, which raised funds to fight cancer, reinforces the sense of belonging to a socially responsible organisation.” Further, TCS's emphasis on investing in a work culture built on social values, continuous learning, trust, empowerment and team work to bring out the best in employees, allowing them the opportunity to realize their potential, is the success of this secret, it seems.



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ACCENTURE and its Employee Engagement Practice

Accenture have implemented the Employee Engagement through hiring talent, grooming them to Accenture Work culture and then on to help build careers offering them leadership role. As the demand in human resources and their specialized services increased, they devised a model of employee engagement by describing metrics driven model, to assess how an employee work is engaged and managers to strive over and above their capability. They proudly claim that this goes beyond the conventional mode of job satisfaction. The Accenture's holistic HR management approach is based on three unique traits of creating growth opportunities, offering them learning and development prospect and lastly compensate and reward them.

HCL and its Special Wall

'Employees First Customers Second' – a philosophy introduced in HCL in the year 2005 made them achieve the mission of creating the most respected organisation in terms of innovation, character, credibility and values. Now, HCL has a host of employee-centric programmes, like

- ➤ **'Job Rotation Policy'** after 18 months in a project (employees are allowed to take their own decision of migrating into projects),

- ➤ **'Career Power'**, a platform that allows the employees to migrate into the role and project of their choice to become technological experts.

- ➤ **EPIC (Employee Passion Indicative Count)** is an employee engagement and retention programme that identifies a person's passion. The EPIC report enables managers to understand the pulse of their respective teams and every individual employee.

- ➤ **Passion Wall and Passion Club** is online platforms of HCL, where the employees can share their passion stories and blogs with fellow HCL mates.



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GODREJ'S Voice of Employee

Godrej believes that the basic role of HR is to become the voice of an employee. So, they have adopted a unique programme called 'Voice of Employee', wherein every employee gets a chance to interact fact-to-face with HR personnel at least once in a year.

Budget for Innovation in employee time – Google

Google company employees generate new ideas, on the time allocated for that. Yes. Time allocation for innovation is practiced. Employees work structure follows a '70:20:10' model of work time. That is, 70% of the work time for completing the clearly defined job assigned to them. The next 20% is to be spent for personal development. Employees can work on whatever they want to work on, as long as it's in line with the mission. The interesting part is the last 10% - "whatever the employees want to do –innovation and creativity time, freedom to think time". Hence, Google always is innovative, with performing employees. And on the other side, employees feel that company values them and stay motivated and loyal to the organisation. A quote of a Google employee –**“If a company actually embraced—rather than merely paid lip service to—the idea that its people are its most important asset, it would treat employees in much the way Google does.”** The other companies following this budget scheme are Genentech and 3M.