

Performance Management

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Managers meet quarterly or annually with employees to discuss goals for the upcoming year and work together to compose objectives and overall contributions to the organization.

Performance management is led by human resources to facilitate a continuous process for managers to plan, coach, and review an employee's performance. Managers' goal is to assess progress and provide feedback to ensure workers are meeting their goals for the company (State of Oklahoma Training and Development., 2012).

Performance Management Process Necessity

A company must have a performance management process. Creating this course of development helps businesses align and improve employee's performances to push for an increase in goals set on an individual basis. These personal accomplishments result in enhanced productivity and end-of-year profits (Valentine et al., 2020).

Performance management processes are necessary for a company to identify an employee's performance level, measure their progress, provide critiques or supportive tools, and reward or discipline the employee. These processes will help workers obtain pay increases, promotions or advancements, career development, and incentives (Valentine et al., 2020).

The performance management process is vital to aid employees on the most critical aspects of their jobs and sets clear expectations, goals, and deadlines. Employers determine if their workers are doing well by conducting performance appraisals. These appraisals not only indicate how well an employee is accomplishing their job, but it also helps human resources keep a documented record of an employee's performance and aids in making comparisons between workers (Gravina & Siers, 2011).

Differences Between Performance Appraisals

Administrative performance appraisals help companies ensure people performing similar jobs are rated comparably; thus, producing uniformity in the evaluation process. From an executive viewpoint, this process must be uniform and applied equally to be valid and ethical. These types of appraisals are usually seen as a connection between a worker's job performance and yearly raises or bonuses (Valentine et al., 2020).

Developmental performance appraisals identify areas that need to be improved by an employee to reach their potential within the organization. For a developmental evaluation to be successful, a company needs to identify its employee's strengths and weaknesses. Recognizing these characteristics of an employee will help determine their needs and potential, creating a suitable plan for the individual (Valentine et al., 2020).

Strategic appraisals are measurements that contain financial and nonfinancial performance standards used for planned objectives. (Endrikat et al., 2020). A company can use this type of appraisal to improve its strategy by positioning an individual's performance goal with the organization's overall objective (Valentine et al., 2020).

Ratings, Rankings, and Goal Setting Methods: Advantages and Disadvantages

A disadvantage of ratings is bias; managers can be biased against employees based on their own opinions of that individual and view them as a lower performer. However, having workers rate managers identify competent managers, and have managers become more responsive, and find growth areas (Valentine et al., 2020).

Rankings are based on performance levels from highest to lowest. A disadvantage of rankings is the scale or perceived performance difference among workers. It is not easy to compare each employee in a practical way; furthermore, it is not an applicable process for a large

organization. An advantage of a ranking system is its ease of use and the ability to understand it (Valentine et al., 2020).

An advantage to goal setting is allowing managers to positively direct employee performance, motivating workers, and increasing job performances by each individual. With goal setting, administrators can enable employees to set their own goals. Managers can ensure success in employee goal setting by overseeing the process and ensuring that all involved understand that these objectives are adequately related to each other (Valentine et al., 2020).

Ethical considerations and the performance appraisal process

An ethical consideration in the performance appraisal process is not violating the Civil Rights Act of 1964, making it illegal for companies to discriminate against an employee based on protected characteristics. Businesses using a merit-based system in a performance appraisal process need to be mindful they are not unethical or discriminatory. Evaluations should be decided using job-related data, which is legal, ethical, and does not violate the Civil Rights Act of 1964 (Gravina & Siers, 2011).

Another ethical consideration a company can implement when creating an appraisal process is using codes of conduct. Codes of conduct can help a company ensure their ethical guidelines are set in place on behavior, training, and performance processes. These standards help endorse an ethical culture within an organization; however, for companies to effectively promote these guidelines, honest metrics need to be included in performance measurements (Valentine et al., 2020).

Conclusion

Many companies have performance management processes in place and have found success in implementing them; however, an organization needs to create a design identifying

components that should be measured, assessed, and developed (Gravina & Siers, 2011).

Administrators and employees may see the performance management process as a necessary evil; therefore, it is the human resources department's goal to ensure these appraisals are as unbiased and constructive as possible.

Reference

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