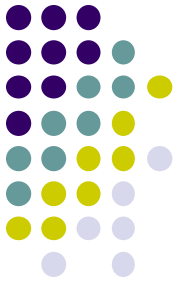


Performance Management



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Concept

Performance management can be defined as a **strategic and integrated** approach to sustained success to organizations by **improving the performance of the people** who work in them and by **developing the capabilities of teams and individual contributors.**

Why Performance Management ?



- Manager's performance is tied up with subordinates' performance
- Poor performance leads to poor organizational performance
- Therefore, manager must understand to manage staff performance.

It is Integrated in Three Ways



- Vertical Integration:

Linking or aligning organizational, team and individual objectives.

Contd....



- Functional Integration

Linking functional strategies in different parts of the business.

Contd....



- HR Integration

Linking different aspects of HRM to achieve management and development of people.

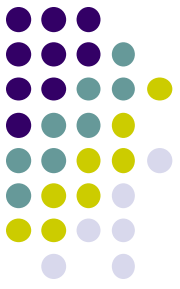


Determinants of performance

Organizational Influences

- Working conditions (Physical, Psychological, Social)
- Compensation plans (Direct, Indirect)
- Training and development opportunities (On-the-job, Off-the-job)
- Career opportunities (Vertical, Horizontal)

Contd... Organisational influences



- Performance evaluation system (Objective, Subjective)
- Co – workers (High commitment, Low commitment)
- Supervision (Punitive, Supportive)
- Structure (Simple, Complex)
- Policies, strategies (Performance friendly, Rigid)

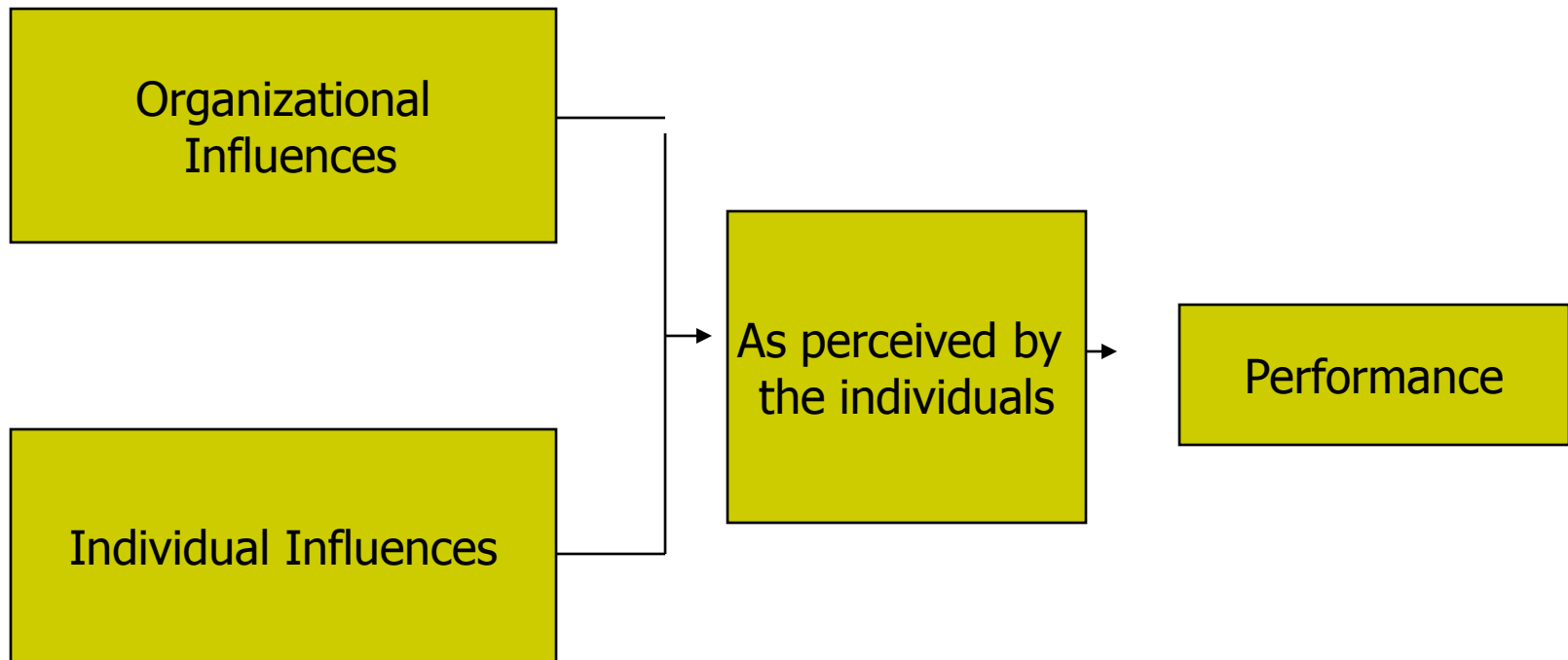


Contd....

Individual Influences

- Knowledge and skills
- Experiences (Multiple, Limited)
- Attitudes (Positive, Negative)
- Aptitudes (Ranges)
- Motivational forces (Intrinsic, Extrinsic)

Contd....



Diagnosing performance problems



- Performance = Ability x Motivation
- Ability = Aptitude x Training x Resources
- Motivation = Desire x Commitment

Causes of performance problems



- Perception problem
- Resource problem
- Training problem
- Expectation problem
- Incentive problems

Principles of Performance Mgmt.



- It translates corporate goals into individual, team, department and divisional goals.
- It helps to clarify corporate goals.
- It is a continuous and evolutionary process, in which performance improves over time.
- It relies on consensus and cooperation rather than control.



Contd... Principles

- It encourages self-management of individual performance.
- It requires a management style that is open and honest and encourages two way communication between superiors and subordinates.
- It requires continuous feedback.
- Feedback loops enable the experiences and knowledge gained on the job by individuals to modify corporate objectives.



Contd... Principles

- It measures and assesses all performance against jointly agreed goals.
- It should apply to all staff.

Concerns Of Performance Management

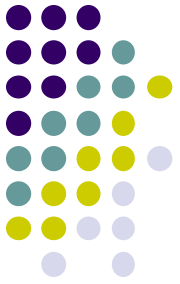


- Performance management is basically concerned with performance improvement in order to achieve organizational, team and individual effectiveness.
- It is concerned with employee development.
- It is concerned with satisfying the needs and expectations of all the organization's stakeholders.
- It is concerned with communication and involvement.
- It is concerned with procedural fairness and transparency in the process of decision making.

Performance Management Process



1. Job analysis and design
2. Performance goal setting
3. Communicate expectations (mutual)
4. Monitor, assist and control/Job performance improvement plan
5. Performance appraisal
6. Intervention programs
 - a. Job
 - b. Individual
7. Feedback



Thank You