

Performance Management

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Performance management is a key strategy of human resource (HR) management aimed at improving organizational performance in order to attain and sustain its competitive advantage in acute domestic and international competition. The success of HR management as a system and organization as a corporate entity is highly dependent on the effectiveness of performance management. This is an important organizational tool to clarify performance objectives, standards, critical dimensions, and competencies to enhance individual performance. It also provides a rationale basis for various HR decisions such as compensation, promotion, transfer, counseling, mentoring, termination, etc. Employees get avenues to grow and develop to assume greater responsibilities in the organization in future which results in maintaining a satisfied and productive workforce. Performance management fosters and rewards excellent performance by motivating all employees to perform at their best by keeping in view the principles of fairness and transparency. Thus every organization is responsible for providing an effective and fair performance management system that encourages effective communication between employees and managers. So performance management has occupied a centre stage where all people management efforts are directed towards enhancing performance of employees and improving the bottom line of organization.

The book under review contains ten relevant chapters which are helping to explore the implementation of different frameworks for performance management and then analyses different human resource management practices that enable performance at the individual employee level. Its contents deal with strategic issues of performance management like operational process and performance management (PM) process, performance management metrics, performance information, performance management frameworks, employee assessment, contribution of human resource management practices to performance management, pay for performance plans, organizational leadership and performance management, which are of highly structured and informative. In the first chapter the author has discussed the important theoretical concepts such as significance of performance management, the linkages of strategy to performance management, process and information system as two major components, and ultimate responsibility for performance management. Chapter 2 has given a clear picture on how organization structure and operation process influence performance management along with the contributions of

different organization structures towards this end. It gives the message as while organizations designing performance management processes, due attention must be given to understand the particular strategy-structure-process configuration in order to achieve the desired outcomes (p. 41). The Case Study on "*The Performance Appraisal of Legal Executives in National Bank of India*" providing an exposure and clarity on the impact of organization structure towards designing and implementation of appropriate appraisal techniques. Performance is not only reflected what an employee does but includes the behaviour of employees at a particular job, actual outcome and to what extent it matches or exceeds the intended outcome. Job descriptions are helping towards better performance expectations and contribute to the achievement of those goals. The common approaches used by organizations to define performance for long-term survival are: competencies based approach; behaviour based approach; task based approach; and outcomes based approach (Chapter 3). The next chapter has given emphasis on performance metrics which are providing the desired and right kind of information to decision makers for tracking organizational performance, taking corrective action, determining employee compensation and rewards. Two important categories of metrics such as critical success factors and key performance indicators are used in organizations in order to enhance performance outcomes (p.89). The two cases at the end part of this chapter "*Fast-Send Couriers Pvt. Ltd*" and "*Hill-View Project*" are giving clarity on importance and communication of right kind of information fostering towards performance improvement.

Performance management frameworks provide a holistic view of the organization (Chapter 5). In order to develop the organizational model, two broad categories of frameworks are generally used (hierarchical frameworks and process-oriented frameworks). The different hierarchical frameworks that are commonly used in organizations such as DuPont framework, *Tableau de bord*, SMART pyramid-1950s, Performance Management Matrix, and the Balance Scorecard and the most widely used process-oriented frameworks are Porter's value chain framework, EFQM model, Brown's input, processes, output, and outcomes model. These framework models are used to translate strategy into operational excellence and improved performance outcomes. Cases like "*Global Furnishings*" and "*The Dilemma at ABC Autos*" are adding practical insight on suitability of various performance management frameworks. Chapter 6 briefly stating about meaning and process of performance appraisal, appraisal tools, errors in employee assessment, and system-oriented approach to design performance appraisal system and managerial implications of it. Human Resource Management (HRM) focuses on the most critical resource—the employees. Performance management requires that critical aspects of HRM practices (recruitment, selection, induction, training and development, employee supervision, working conditions, career progression, working conditions, employee reward and recognition, etc.) be designed and managed in such a manner that the desired performance is attained at the level of every singly employee (Chapter 7). The various aspects of HRM contributing towards performance enhancement are reflected in the case "*Dilemma @ Avasta Technologies Limited*". Pay for performance plans are not only systems for rewarding employees, but also powerful instruments by which organizations implement change (Chapter 8). Performance-related pay systems should be designed and implemented with a great amount of care to prevent those causing dysfunctional consequences. The last two chapters of the book are discussing on the issues like approaches, methodologies, and human side of organizational development, impact of leadership on organizational performance, and development leadership among employees across the organizational hierarchy.

The book focuses on various aspects of performance management in the present context which are of highly constructive and result oriented. But the book is not covering the techniques or

methods of performance appraisal in detail. If one chapter on 'Assessment and Development Centre' added, then the book will be more meaningful and appreciable by the readers. The case studies given in the book brings clarity to the concepts and supplement critical thinking on various aspects of performance management. The book is highly enriched with literature on performance management which is useful for academicians, HR professionals, researchers as well as management students for reference. The author has given chapter summary, review and discussion questions, case studies at the end part of each chapter, which are highly structured and valuable for the professionals. Finally, the author deserves congratulation and sincere thanks for highly organized and qualitative work and timely publication of the book.

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