

IMPLEMENTING EMPLOYEE PERFORMANCE MANAGEMENT SYSTEM: A SCOPING REVIEW

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Abstract

The implementation of any system requires meticulous planning and a careful execution. When it comes to human resource, the system implementation becomes even more challenging. In this paper an effort has been made to identify the various parameters that need to be taken into account while implementing a performance management system (PMS) and to list the various causes for the failure of PMS in an organization during its implementation. A scoping review method of the literature has been used to study and classify the various causes for the failures.

Keywords— Performance Management System, Performance Appraisal, Employee Performance, Performance

I. INTRODUCTION

The implementation of PMS system though technically speaking will be different for each organization; it would be wise to look at the literature to avoid the common pitfalls. A well implemented PMS would lead to higher employee engagement and a more committed workforce. Employee engagement on the other hand has proved to have a significant impact on the employee performance. An improvement in employee performance would future lead to an increase in the organizational performance shows that any PMS survives at four levels i.e. executive leadership, organizational infrastructure, human resource policies and procedures, and workplace working conditions. Taylor Later regression analysis revealed that the six factors have a substantial influence on the effectiveness of the PMS implementation. These factors were characterized into two subsets, i.e. technical factors and social factors. Technical factors are contributing for most of the change in the

dependent variable. The social factors have a noteworthy, although reasonably lesser, effect. This provides a clearer view of the factors which may influence the effectiveness of their PMS implementation.

FAILURE OF PMS

There is a high failure rate of the PMS and most of the failures happen during the implementation phase. As the years have passed by the failure rate has also decreased. This is a good sign by still majority of the PMS are poorly implemented. This should be a wakeup call for all the managers to see to it, that at least they try not to repeat the same mistakes again.

II. METHODOLOGY

A scoping review of the literature has been prepared to identify the problems of PMS implementation. The main sources of data are from Emerald, Ebsco and Google Scholar. A Boolean search terms like ("performance management" OR "performance appraisal" OR "performance review" OR "PMS" OR "performance measurement" OR "performance evaluation" OR "employee performance") AND ("implementation" OR "design" OR "start" OR "Implement" OR "develop") AND (employee OR "human resource" OR manager) had been used to collect the literature.

PROBLEMS IDENTIFIED

De Waal & Counet (2009) have identified 31 problems specific to the implementation of the PMS. They have also identified that there is huge gap between the problems as perceived by the academicians and the problems faced by the practitioners in the process of implementing the PMS. It was

found that academicians rated the structural problems more and the practitioners rated the behavioral problems more.

The specific problems identified by them are as follows:

1. Management puts low priority on the implementation:
2. There are insufficient resources and capacity available for the implementation
3. The implementation requires more time and effort than expected
4. The organization is in an unstable phase
5. Lack of management commitment
6. The PMS implementation does not have a clear goal
7. Period of attention from management for the implementation of the PMS is not long.
8. Insufficient commitment from middle management and staff for PMS
9. Organizational members lack a positive attitude towards the PMS
10. It is too difficult to decompose goals for lower levels in the organization
11. There is not enough focus on internal management and control
12. There is a lack of knowledge and skill in regard to the PMS
13. The organization does not have a performance management culture
14. There is an insufficient link between the PMS and the reward system.
15. The PMS is not regularly updated and maintained after implementation.
16. The PMS is not used for the daily management of the organization
17. There is no organizational member appointed to take ownership of the PMS.
18. The PMS gets a low priority or its use is abandoned after a change of management
19. There are difficulties in getting the data to calculate the performance indicators

3.1. Conflicting objectives Rees & Porter

(2003) have identified that the most common problem faced when implementing a PMS is that there are too many objectives and sometimes these objectives would be at conflict with each other.

3.2. Handling of feedback

Collection of the feedback is one part but collecting constructive criticisms and working on it is even more difficult. Even if there is a feedback mechanism to collect and record them the employees trust may come in the way of making a genuine feedback. The

managers on the other had May not give genuine feedback in order to

Avoid “embarrassing confrontations” (Rees & Porter, 2003).

3.3 Time Constraint

The time required for the implementation is not estimated in a scientific way and sometimes the implementation is made hastily. This adds addition pressure to the managers and opens the scope for the resistance to change (de Waal & Heijden, 2015).

3.4 Low priority by management

A system like PMS should be the top priority especially in its implementation phase. If the management does not give sufficient importance to the implementation, the system would not achieve the required objectives. The important factors that affect employee performance are functioning.

3.5 Insufficient resources and capacity

Available during the implementation of PMS There should be sufficient resources available for the proper implementation.

3.6 Unstable organization

The organization may be in an unstable stage during implementation. PMS as a critical system requires the support from other systems and when is the organization itself is unstable.

3.7. Lack of commitment

The implementation is usually initiated by the HR department and when the system lacks the support from managers it would be like an engine with the fuel to run it. Leadership from the top management plays an important role in the implementation of PMS.

3.8. Lack of conducive corporate culture

There have been problems which are related to employee motivation, failing corporate culture, weakening morale, reduced staff empowerment, absence of pleasant dealings between management and employees and less initiative in the implementation of equal employment opportunities.

3.9. Lack of employee participation

It's shown that implementing a high participative PMS can lead to a considerably higher performance rise, comparing with the performance increase that is shown in the tell-and-sell introduction of a similar system).

3.10. No structured approach

As suggested by enterprise engineering theory and methods, a structured approach for problem identification and rendition of a theoretical plan into the exhaustive portrayal of a result and implementation is required for the a successful PMS.

3.11. Flexibility of the system

The implemented system has to be flexible enough to accommodate and changes that had not been foreseen earlier. The success of PMS is the level of flexibility of the system which is designed and implemented.

3.12. Perceived Fairness of PMS

The performance management to be effective, it must be perceived to be fair by the employees. If not the system may always be looked upon with suspicion or as a wasteful exercise.

3.13. Resistance to change

When there is a resistance to change and there is reluctance to innovate because of the dread of the unfamiliar can challenge PMS implementation.

3.14. Managerial influence in PMS design

The management has to be involved with the design of the PMS. This will tend to reduce the perception of the PMS being faulty thus reduce failure.

3.15. Project management

The results of the study conducted by Singh, (2012) on the PMS implementation in Indian software enterprises, highlights the vital role.

IV. PRACTICAL IMPLECATIONS PMS

PMS is one of the most important systems in an organization which can help the individuals and teams to improve their performance. This would in turn lead to improved performance of the department and organization. A poorly implemented system on the other hand can lead to devastating consequences.

V.CONCLUSIONS

PMS is an important tool in measuring and managing the performance of individuals as well as the teams. An organization which is aiming at improving its performance cannot ignore the performance of the individuals and

the teams. A PMS should be designed keeping in mind all the hurdles that may come in its way during the implementation. A strong bond and cooperation by all the stakeholders will definitely contribute to the success of the PMS and thus contribute to the success of the organization.

VI.REFERENCES

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