

## **Implementation of Performance Management process in Industries - Impact on employee sustainability**

**Ms. P Kranthi,**  
Research Scholar,  
Koneru Lakshmaiah Education Foundation  
(Deemed to be) University, Hyderabad

**Dr Kiran Kumar Thoti,**  
HOD & Associate Professor,  
Koneru Lakshmaiah Education Foundation  
(Deemed to be) University, Aziz Nagar, Hyderabad

**Mr. Mohammed Abdul Mateen,**  
Research Scholar,  
Koneru Lakshmaiah Education Foundation  
(Deemed to be) University, Hyderabad

**Dr. K. Nageswara Rao,**  
Deputy General Manager – IR,  
HSIL, Bibinagar.

**Abstract:** In today's scenario performance management process is not just an annual review, but it is a continuous process where it helps managers and employees collaborate with company goals with team and individual goals. Performance management process is a long term approach where it increases efficacy of the company as well as individual. By this process employee is more focused and dynamic. It also helps to plan, monitor and review employee progress towards work. The entire process rotate around employee's development by continuous training, mentoring, scheduled meetings and feedback. This study will focus on the parameters which will contribute for process effective performance management and helps in employee progression. This study will analyze the data by considering primary data through well designed questionnaire and background for designing questionnaire will be collected from secondary data available.

**Keywords:** Performance management process, Sustainable HRM, Employee progression

**Introduction:** In recent times industrialization has been increased and production of goods has also been increased. To overcome the tough competition and survive in the market there is a need for industries to maintain and retain employees. To retain employees there has to be a structured way of analysis, which we call strategic human resource development (SHRD). SHRD has been developed 30 years ago which focuses on present development without compromising future developments. Sustainability and performance are two major indicators in the development of industries as well as individual development. Performance is not always calculated in terms of financial ability, it has many means to be analyzed. In response to many people including stake holders, organizations has developed strategic performance measurement system where it has gained popularity in the industries from last two decades. A great deal of multi-dimensional perspective of performance measurement process has explained to deal with non-financial performance measures.

This study will explain what are the non-financial activities that contribute to the employee sustainability by using tool performance management process. In this study we are trying to find out what are best practices that have to be implemented in sustaining employee for longer pace.

Objective of the Study:

- To analyze the variables to accomplish effective performance management process.

Background of the study:

Wilson (2003) suggests that sustainable development is necessary for corporate sustainability while stakeholder theory and corporate accountability theory underpin such sustainability. Stakeholder theory is one of the most important theories underpinning corporate sustainability since it takes into account the interest, rights and needs of different

Wilson (2003) suggests that sustainable development is necessary for corporate sustainability while stakeholder theory and corporate accountability theory underpin such sustainability. Stakeholder theory is one of the most important theories underpinning corporate sustainability since it takes into account the interest, rights and needs of different

Wilson (2003) suggests that sustainable development is necessary for corporate sustainability while stakeholder theory and corporate accountability theory underpin such sustainability. Stakeholder theory is one of the most important theories underpinning corporate sustainability since it takes into account the interest, rights and needs of different

- According to *Flavia Fechete and Anisor Nedelcu (2019)*, there should be multi dimensional focus in measuring performance management process not single dimensional focus.
- According to *Wilson (2003)*, sustainable development is more important for stakeholder retention.
- According to *Aguinis, H. (2013)*, Intersection between science and practice brings an important interdisciplinary view to performance management process.
- According to *Adler, S., Campion, M., Colquitt, A., Grubb, A., Murphy, K., Ollander-Krane, R., & Pulakos, E. D. (2016)*, ratings does not reflect performance as rater cannot assess behavior of the rate accurately until he knows insights of the employee.
- According to *Baer, D. (2014, April 10)*, employee performance has to looked front side rather than backside, more focus has to be on employee progression, employee has to be treated as assets of the company rather than treating them as evaluation machines.
- According to *Bower, J. L., & Paine, L. S. (2017, May-June)*, performance management process becomes an essential tool for long term health and development.
- According to *Buckingham, M., & Goodall, A. (2015, April)*, deloitte has redesigned its performance management process with greater transparency.
- According to *Culbert, S. A., & Rout, L. (2010)*, there should not be one way approach of evaluating performance. Managers become judges and try to judge employee which decreases the morale of the employee, rather if performance management process becomes two way like employee and manager sitting together and discussing performance measures and evaluating measures it will be more beneficial.
- According to *DeNisi, A. S. & Murphy, K. R. (2017)*, ratings research, training, feedback plays an important role in assessing performance.

Performance management process:

Effective performance management process has a well-articulated process for accomplishing evaluation activities, with defined roles and timelines for both managers and employees. Especially in organizations that use performance management process as a basis for increments and other HR decisions, it is important to ensure that all employees are treated in a fair and unbiased manner.

Below is the process that gives amicable results:

Figure: 1



Sustainable HRM:

Sustainable HRM defines the integration of financial, environment, social and individual goals over a long term period. Many authors have represented in their own way but all the authors in the common platform agree that sustainability is doing the activities which yield profitable results in the future without compromising in the present situation. It also helps to motive and retain employees in the organization with triple bottom benefits and ensures long term profitability.

Employee Progression: Retaining employees has become an alarming need in the industrial world of today. The enormity of Japan's economic growth is remarkable and successful in developed and developing nations to imitate. It's been an extraordinary fashionable system in recent years for upcoming management experts to trumpet the potential for learning from the Japanese management. Some of the unique features of Japanese HRM that includes:

1. Employee participation: Small Group Activities (SGA), where in every personnel gets an opportunity to take initiatives.

2. Life time employment: Long and stable career.
3. Team Work: "The ability of a group of employees to co-operate and work effectively together".
4. Labour- Management Relations: Unions shows a great interest of responsibility and statesmanship of high authority.

These are few features of Japanese work culture for sustaining employees for long run which benefits both management, individual as well as society development at large.

Data Analysis:

Sample Size: 86

Tool used: Likert scale questionnaire

1. Challenging aspects of Performance management process:

Analysis: 43% of personnel states that "determining evaluation criteria" is the most challenging aspects ; 25.8% of personnel states that "creating a rating instrument" is the most challenging aspect of performance management process and also 17.2% of employees states that "lack of competence" is most challenging aspect of performance management process.

2. Performance linked pay:

Analysis: 68.8% of personnel states that "performance linked pay incentives" will yield good results in enhancing performance ; 17.2 % of personnel states that "promotions coupled with salaries" will give good results in enhancing performance.

3. 68.8% of personnel states that "development and fostering communication" must be involved in performance management process; 8.6 % of personnel states that performance management process involves "looking backwards" and 8.6 % of personnel states that performance management process is just "filling forms".

4. Effectiveness of Performance management process:

Analysis: 100% of personnel states that "participative approach" will amplify effectiveness of Performance management approach.

5. 51.6 % of personnel state that "career management and development plans" must be a part in performance management process. 25.8% of personnel state that "training and development" must be a part in performance management process. 8.6% of personnel state that continuous "coaching" must be a part of performance management process.
6. 77.4% of personnel state that "aligning individual goals with organizational goals" will give accurate results in performance management process.
7. 81% of personnel state that "giving actionable feedback" will construct a sustainable environment for employees in the organization.

Findings & Discussion:

1. Basing on the primary data collected 100% of employees agree that participative approach will give good results in performance management process.
2. Giving actionable feedback is also one of the main criteria in enhancing performance management process.
3. Aligning individual goals with organizational goals will give accurate results in performance management process.

4. Communication based approach will augment best results in performance management process.

**Conclusion:**

It has been observed that participative approach in performance management process will give abundant results. There should be involvement of both appraiser and appraisee while conducting performance management process. Complete feedback about the performance has to be communicated to the appraisee and solutions for betterment of the performance have to be given. This type of approach is required in present situation to reduce labour turn over in the industries. There should also be plans for the employee to develop their career graph. Performance management process has to be conducted at regular intervals (every six months) so that it will benefit for individual as well as organization. Conducting appraisals once a year may not yield profitable results. Therefore Performance management process is one of the key tool for the employees to sustain in the organization for longer period.

**References:**

1. Borza, M. Performance and sustainability: An approach from small enterprises perspective. *J. Contemp. Econ.* **2017**, 2, 13–30.
2. P. Kranthi, Dr. T. Kiran Kumar, Mohammed Abdul Mateen, Dr. K.Nageswara Rao *Role of Psychological well-being accomplishments for employees in enhancing performance – Sustainable HRM.* 2020,
3. *Development of pay package and Intellectual capital through human resource audit. Test Engineering and Management*, 83, 9146 – 9160, Thoti KiranKumar, Shankar, C. & Shanmugapriya T, 2020.
4. *Employee Absenteeism in Johnson Control automotive limited bidadi, Bangalore. International Journal of Recent Technology and Engineering*, 8 (2 Special Issue 4), 320 – 325 , Thoti KiranKumar , 2019.
5. Chirilă, E. Definition and measurement of the enterprises performance. *Ann. Orad. Univ.* **2004**, 4, 151–154.
6. Pană, V.; Pană, I. Sustainable development of enterprise: The first step to the sustainable development. *Ann. Orad. Univ.* **2006**, 1, 110–114.
7. Schaltegger, S.; Hansen, E.; Lüdeke-Freund, F. Business Models for Sustainability: Origins, Present Research, and Future Avenues. *Bus. Models Sustain. Entrep. Innov. Transform.* **2015**, 1–8.
8. Rojanschi, V.; Bran, F.; Grigore, F.; Ioan, I. *Quantification of Sustainable Development*; Academic Press: Cambridge, MA, USA, 2000; pp. 55–63.
9. Kishawy, H.; Hegab, H.; Saad, E. Design for Sustainable Manufacturing: Approach, Implementation, and Assessment. *Sustainability* **2018**, 10, 3604.
10. Sujova, A.; Simanova, L.; Marcinekova, K. Sustainable Process Performance by Application of Six Sigma Concepts: The Research Study of Two Industrial Cases. *Sustainability* **2016**, 8, 260.
11. Demartini, M.; Pinna, C.; Aliakbarian, B.; Tonelli, F.; Terzi, S. Soft drink supply chain sustainability: A case based approach to identify and explain best practices and key performance indicators. *Sustainability* **2018**, 10, 3540.

12. Vukši, V.; Bacha, M.; Popovi, A. Supporting performance management with business process management and business intelligence: A case analysis of integration and orchestration. *Int. J. Inform. Manag.* **2013**, *33*, 613–619.
13. Birasnav, M. Knowledge management and organizational performance in the service industry: The role of transformational leadership beyond the effects of transactional leadership. *J. Bus. Res.* **2014**, *67*, 1622–1629.
14. Folan, P.; Browne, J. A review of performance measurement: Towards performance management. *Comput. Ind.* **2005**, *56*, 663–680.
15. Tangen, S. Demystifying productivity and performance. *Int. J. Product. Perform. Manag.* **2005**, *54*, 34–46.
16. Weimei, Z.; Feng-e, T. Analysis of Performance Management in Small and Medium Enterprises. *IERI Proced.* **2012**, *1*, 8–12.
17. Ciemleja, G.; Lace, N. The Model of Sustainable Performance of Small and Medium-sized Enterprise. *Inz. Ekon. Eng. Econ.* **2011**, *22*, 501–509.
18. Liebetruth, T. Sustainability in performance measurement and management systems for supply chains. *Proced. Eng.* **2017**, *192*, 539–544.
19. Khan, B.A.; Naeem, H. Measuring the impact of soft and hard quality practices on service innovation and organisational performance. *Total Qual. Manag. Bus. Excell.* **2016**, *1*, 1–10.
20. Osmania, F.; Ramolli, G. Performance Management, Its Assessment and Importance. *Proced. Soc. Behav. Sci.* **2012**, *41*, 434–441.
21. Kaplan, R.; Norton, D. The Balanced Scorecard: Measures that Drive Performance. *Harv. Bus. Rev.* **1992**, *70*, 50–83.