

A Review of Performance Management Systems in Manufacturing Industries



Piyush Vishwajit Bhamare, Sandesh Madhukar Kshirsagar, Himanshu Dilip Patil,
Hrishikesh Dnyaneshwar Tidake

piyushbhamare2111@gmail.com
sandeshkshirsagar505@gmail.com
himanshupatil87@gmail.com
hrishikeshtidake@gmail.com

Department of Mechanical Engineering
NBN Sinhgad School of Engineering, Ambegaon, Pune

ABSTRACT

This paper explain efforts put in reviewing the possible approaches present in the manufacturing organizations to understand the outcomes of Performance Management Systems (PMS) in Manufacturing Industries. An attempt is also being made to bring out some of the important standards on the basis of which the effectiveness of implementing PMS can be judged. In the due process, the very need for PMS has also been examined and then the changes organizations are bringing out to their existing practices for the continued sustenance of PMS is highlighted.

Key Words: PMS, Implementation of PMS, Manufacturing Outcomes, employee engagement performance-appraisal, evaluation.

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I. INTRODUCTION

This Review is conducted to build a framework to facilitate an understanding of the state of art work done in Performance Management. In the due process, attention is also given for designing and execution of an effective Performance Management System. Much of the Concentration in this work is mainly focused on Research-based outcomes and current solicitations that have become increasingly helpful in building an organization's human capital successfully. The Performance Management system has always been a continuous and a recurring process in any organization irrespective of its size. It is quite common that, many essential phases involved in the construction of a superior Performance Management System is often cut short in industries, owing to the practical constraints involved in implementing them effectively and also due to the lack of awareness on the effects of cutting short of these essential phases.

In the current literature review, an attempt of studying the advantages and limitations of performance management

systems are studied. Also, the step by step procedure to be followed before the implementation of a successful Performance management system and the ending of a performance management system is studied.

II. DEFINITION OF PERFORMANCE MEASUREMENT

“Performance measurement system may be defined as the process of measuring the efficiency of success rate of an action in any organization.”

“A performance measurement may be defined as a standard used to measure the efficiency and/or success rate of any action happened/ing inside the organization.”

“A performance measurement system may be defined as a set of standards that are being used to measure both the efficiency and success rate of actions articulated in an organization.”

III. CHARACTERISTICS OF AN IDEAL PERFORMANCE MANAGEMENT

SYSTEM

a. Practicality. Implementation of Performance management systems becomes successful and effective only when they are less expensive, consume lesser time and are simpler to use. The benefits of using a performance management system should outweigh the implementation and maintenance cost of the system.

b. Effectiveness of the PM system. The performance management system should comprise of relevant evaluations and the evaluations should be considered at a specific period of time. These evaluations must be done regularly at a fixed time interval. The PM system should allow provisions for evaluator's skill development. The collective data obtained by such a system should be used in making/taking effective decisions.

c. System Specificity. A good PM system should be precise, in other words, the system should facilitate the employees the complete guidance on what are their targets in the organization and how should they be met.

d. Reliability. A virtuous PM system should always facilitate error-free Performance measurement

e. The validity of results. While evaluation is in the process the PM system shall consider all relevant data without excluding any important aspects and also it should consider only those data that are within the limits of the employee. At the same time, it shall not incorporate irrelevant data and make the output a mess of all the inputs.

f. Process Standardization: The term process standardization is used to denote that the activity of employee performance evaluation is constantly and regularly done. To make this evaluation process effective the managers and their subordinates will have to be trained regularly to meet the changes in the changing system.

g. Organizational Ethics. A good PM system is found to comply with the organization's ethical standards. That is the supervisor performs his/her duty by suppressing his/her personal self-interest in evaluations being made. Additionally, supervisor/s evaluates only the performance dimensions about which he/she has sufficient information. During the process privacy of the employee is respected to the maximum.

IV. ROLE OF PERFORMANCE MANAGEMENT SYSTEM (PMS)

In the recent management systems, the right meaning of Performance management has been understood in the correct sense and has been implemented effectively in

many organizations to meet the desired outreach of the organization. It not only helps the organizations to accomplish the set goals within a stipulated period of time in the possible easiest way but, also helps in building a healthier and motivated interpersonal relationship between the management and the employees.

Performance management systems play the following pivotal role in an organization

a. It helps in understanding the easiest possible methods of reaching the set goals

b. Helps the managers in assessing an employee's performance

c. Helps in understanding the instrumental roles of a manager

d. Removal of frustration towards the assigned task and ease out the complexity through its existence.

V. PERFORMANCE MANAGEMENT THROUGH FEEDBACK

All the times it so happens that the performance of an employee is greatly dependent on his demands and his opinion towards the organization and the management. Managers play a bonding relationship between the management and employees of any organization thus, it becomes his utmost important duty to understand the grievances of his staff and find the optimal solutions to tackle the same with the consent of organizational heads. To improve the employee morale the managers will have to be in constant and continuous touch with his staff. Having feedbacks from his employees at regular intervals and also having effective interactions with them would help him in improving the employee morale and thus employee performance.

VI. CONCLUSION

The evolution of performance management system was done on the basis of citation analysis. Literature Review of the performance management system was done by concentrating on the PM Models and effective frameworks that came into existence in the last one and half decade. From this review, it is found that the conditions in favour of large companies are entirely different from that of small companies. Therefore the implementation of PM systems in small and medium-sized industries is always subjective to challenge.

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