

Free report on performance management and its purpose

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Performance Management and its Purpose

When it comes to organizational productivity, then the essence of complying and adhering with the standards are some of the important things which have their own importance and recognition in total. The productivity of an organization depends upon the thing that how effective a company would manage its operations.

Management is basically a synergy of four things, which predominantly are planning, organizing, leading and controlling and the stance of management would be lies in almost everything including performance management (PM) as well. Theoretically, performance management includes the activities which ensure that the goals are consistently met in an effective manner.

Performance management is basically an activity, through which the performance of an organization would focus and perform in a perfect way.

PM is basically a process or method of an organization through which an entity aligns its resources, management, systems and employees as well as far as meeting with the strategic objectives and priorities is concerned.

According to most of the authors, performance management is basically a term through which management of the behavior and result would be analyzed. Through, there are number of purposes of Performance Based Management (PBM) and two of the main purposes of PM are,

- Performance Management is used to motivate the Workforce in an organization by optimizing the incentive base plans for the achievement of goals. Different employee's based programs; including professional development programs are some of the major things through which the motivational level of an organization could be direct accordingly

The relationship of performance management (PM) relates to the business objectives as well. In this scenario this particular process, PM would work hard to accomplish the business and financial objectives of the company.

Importance of Performance Management for an Organization

Productivity is an important element from the viewpoint of an organization and an organization cannot be in the in this particular provision with enhancing the productivity accordingly. Performance Management (PM) which is about managing the performance of an organization is an important phenomenon from the viewpoint of an entity which shows that effective measurement should be undertake by a company to enhance the performance of an organization in total.

The second most important advantage of having a perfect performance management system in an organization is that it would benefited an organization both from financial and non financial viewpoint. It not only assists the company as far as selling its products to the right person at the right time, but it is also effective as far as controlling and improving the systems of a company in total. Most of the organizations across the board are focusing on the field of performance management because they are very much familiar with the fact that this particular tool is highly beneficial for the growth of organization.

Components of Performance Management

The theoretical meaning of component is elements and it is extremely important for an organization to analyze different components or elements of

performance management stance. The top most dominating components according to the Notes of the performance management systems are mentioned below,

- In this notes, it is found that rewarding the employees according to their performance is also an important aspect of performance based management

- There are number of components which could be taken into account by the companies as far as facilitating their employees like intrinsic rewards and extrinsic rewards, in which the things like cash, encashment and fringe benefits stride upon, while in non cash advantages, intrinsic awards should be awarded, including feedbacks, positivity and appreciation.

One of the major functions or components of performance management is to direct the hierarchy of a company accordingly and for accomplishing the same, Maslow theory of Hierarchy application or theory could be applied, in which it is found that every employee should be treated effective because it is requirement of the company.