

Analyze the human resource management essay

[Literature](#), [Russian Literature](#)



Applied Management Project (BSS000-6) Performance Management

Submitted by Student number: Acknowledgement: First of all I would like to thank the Almighty God for providing me with the ability, strength and good health I have gained throughout the writing of this project. Apart from my efforts, the successful completion of this report mainly depends on the support and guidelines of many others. I take this prospect to convey my appreciation to the people who have been influential in the booming completion of this project. I would like to give you an idea as regards my supreme gratitude to all of my group members and also my other class fellows. I can't express thanks enough for their remarkable support and assistance.

I feel provoked and optimistic after attending their address. Without their encouragement and direction this project would not have materialized. I would also like to mention about the helping behaviour of many senior students, I am very much thankful to all of them for their support and cooperation. This project is about a very important topic of performance management. In recent decades performance management is getting a lot of importance and consideration for the reason being the changing economic conditions and tight competitive market. In this fast and competitive environment instead of waiting for improvement in external environmental factors organizations are looking for improving the internal factors so that they can sustain in the market and for this reason organizations are focusing on managing and improving the performance of the employees. The main purpose of this project is to find out ' what makes employees go that extra mile? '.

So in this project we will be discussing the different aspects that can play a role for motivating employees and are responsible for good and poor performance. As performance management is “ a continuous process of identifying, measuring, and developing the performance of individuals and teams and aligning performance with strategic goals of the organization”. The role of front line managers in improving the performance of the employees is discussed in detail in this project. It totally depends on the line managers that how fairly, skilfully and consistently they are using performance management tools like holding consultation meetings and conducting appraisal interviews etc for the purpose of improving the performance of the employees. It is also discussed that there should be proper training of managers about how to engage and manage the performance of the employees and also managers should be properly compensated and rewarded for their efforts, so that they can be motivated in playing their effective role in managing the performance of the employees. Fairness in performance management is also discussed in detail. There should be fair rating of the performance of the employees and for this reason the role of 360- degree feedback is discussed that this is very effective for getting rid off from the drawbacks of traditional appraisal system in which element of biasness pertains.

The issue of fairness in rewards and compensation is also discussed in detail that how this thing effect the performance of the employees. So for improving the performance of employees it is important to provide them opportunities for growth and development and there is a need to develop and build the perception of employees that there is fairness in every aspect,

this thing will lead towards increasing the level of motivation and employee engagement, this thing will be helpful in improving the performance and achieving the overall organizational objectives. Because motivated and engaged employees will go extra mile for achieving the desired standards.

Aim The aim of this project is to review the evidence of literature available to find out the main issues with performance management, as well as its benefits.

2. 2 Main objectives To analyse that does the performance management lead to higher levels of motivation and engagement of employees. To look at what is the role of line manager in the process of performance management.

To discuss how can performance management be seen as fair. To investigate who is it designed to serve, the employer or the employee.

CHAPTER TWO 2. LITERATURE REVIEW, ANALYSIS AND DISCUSSION. 3. 3 PERFORMANCE MANAGEMENT 3. 4 Definition “ Performance management is a strategic and integrated process that delivers sustained success to organizations by improving the performance of the people who work in them and by developing the capabilities of individual contributors and teams” Armstrong (2000, p.

1). Performance management is “ a continuous process of identifying, measuring, and developing the performance of individuals and teams and aligning performance with strategic goals of the organization” Aguinis (2007, p.). According to DeNisi performance management is “ the range of activities engaged in by an organization to enhance the performance of a target person or a group”, DeNisi (2000, p. 121). It is also defined as “

processes oriented towards coordinating and enhancing work activities and outcomes within an organizational unit”, Waldman (1994, p. 34).

“ Process that significantly affects organizational success by having managers and employees work together to set expectations, review results, and reward performance”, Mondy et al. (2002, p. 555). 3. Background to performance management We find in the literature that the concept of performance management is considered to be very important in current years in the bubble of human resource management. The term of performance management was initially invented by Beer and Ruh in 1976. After some years when it was realized that there should be a more continuous and integrated approach for the purpose to manage and reward performance then at that time in almost mid 1980's the term performance management was acknowledged as a distinctive approach.

The concepts of performance related pay and appraisal systems were all not bringing the expected results. So the concept of performance management raised like a paragon from the previous conventional but to some extent dishonoured systems of merit rating and management by objectives. 3. 6 The core of performance management Performance management is a collective progression among the managers, individuals and the teams they supervise. It is based on the theory of management by contract rather than command. The basis of performance management is agreement of objectives, knowledge, skill and capability requirements, performance improvement and personal development plans. Performance management absorbs the joint and continuing review of performance against these

objectives, requirements and plans and the agreement and implementation of improvement and more development plans.

3. 7 Purpose of performance management Performance management is a very important way of reaching required results from all in the organization by understanding and managing performance within an arranged structure of planned goals, standards and proficiency requirements. Performance management is a course in which a mutual understanding about what is to be achieved is recognized, and an approach to managing and developing people in a way that increases the possibility that it will be achieved in the short and longer term. According to Bevan and Thompson (1991) the most important intention of performance management was “ to facilitate the integration of the various components of human resource management (HRM) and mesh them more closely with the business objectives of the organization”. Armstrong and Baron (1998, pp. 51-6), Williams (2002, pp. 219-24), Poister (2003, pp.

-15) and also some of the other writers have made it very clear that organisations establish performance management and/or measurement for a lot of different purposes and important and essential reasons which might incorporate one or more of the following: (1) To give information on organisational effectiveness; (2) To provide information on employees' effectiveness; (3) To recover and develop organisational effectiveness; (4) For developing employees' effectiveness; (5) To provide information on organizational efficiency; (6) To give information on employees' efficiency; (7) To advance organisational efficiency; (8) To progress employees' efficiency;

(9) For focusing employees' consideration on areas supposed to be of utmost concern; (10) For improving employees' intensity of motivation; (11) Might be to connect employees' pay with perceptions of their performance; (12) For improving the feature of employees' training and development; (13) For the reason being to increase levels of employee responsibility; (14) Most importantly to make parallel employees' objectives with those of the organisation as a total; (15) Might be to improve customer service; (16) To facilitate the implementation of an organization's strategy; (17) Most probably to work as a force of revolution in developing a new performance oriented culture, Armstrong and Baron (1998, pp. 51-6), Williams (2002, pp. 219-24), Poister (2003, pp. 9-15).

3. 8 Difference between performance management and performance appraisal

We can define performance appraisal as the prescribed measurement and ranking of individuals by their managers at generally an annual review summit. It should be distinguished from performance management, which is to a great extent broad, and a very ample and a usual procedure of management that aims to explain mutual expectations and confer importance to the support role of managers, who are normally act as coaches instead of acting like judges and focuses on the future.

Performance appraisal is not considered as a fair because too often it has been operated as a top-down and basically bureaucratic method that is possessed by the personnel department instead of the line managers. As Murlis and Armstrong (1998) assert, " performance appraisal too often sinks in to a corrupt annual practice". Line managers always reject this system because according to them it is time consuming and irrelevant.

emergence of performance management The concept of performance management emerged in the later 1980's decade and this is due to the negative characteristics of the merit rating, management by objective and performance appraisal. There are also a lot of other reasons and factors that played function in the maturity of performance management, like, the appearance of human resource management as a tactical and incorporated loom to the management and upgrading of people which is the job of the line manager, the concentration paid to the idea of enduring improvement and development, and the learning organization, the awareness that the practice of managing performance is somewhat that has to be carried out by line managers all over the year, an awareness that overseeing performance is the worry of one and all in the organization and not simply the managers and most importantly the dissatisfaction with the results of many performance related pay schemes and a conviction that the basis of the problem is predominantly the lack of satisfactory processes for measuring performance. Valuing people Developing People Paying People Performance Management Involving People 2.

8 What's the same Performance management comprises at least that component of management by objectives philosophy which lay emphasis on the significance of goal setting and reviewing performance in relation to agreed objectives. It also take account of many of the approaches included in appraisal schemes to do with the setting of the objectives. 2. 9 What's new There are a lot of important differences. Performance management in its most urbanized structure is a stable process, not relying on once a year official review focuses on improving performance, developing competence

and releasing potential, performance management is anxious as much with team performance as individual performance. 2. 10 Functions of performance management From the definition of the performance management it seems that performance management is entirely about companies being more aggressive in terms of attaining organizational goals.

Performance management is an activity that is forced by the management and its main intention is to enhance the benefits achieved by the appliance of labour power Beardwell et. al (2004, p 523). For the effectiveness of the performance management there is a need and requirement that managers look at the organizational activities to find out that how well the organization is performing and for this purpose managers should look at the main important decisive factors that are normally responsible for delivering the competitive advantage in the organization. Now a days in the very competitive business environment and also we know that world is now a global village and it is very difficult to maintain a competitive advantage unless and until we recognize our employees as a critical success factor and think about how to improve the strategies in order to make the employees feel more better and motivated by ensuring their engagement and giving them importance. It is very important and main function of the management to manage their employees more effectively and efficiently, Lowry (2002). If we want to achieve performance management effectively then we have to set the main objectives of our business clearly, and the important thing to keep in mind is that the objectives should integrate the business strategy of an organization. It is very important for every organization to be fully aware of its objectives, means organization should know for what they are working

for means what they want to achieve because until you don't know what you want to achieve you cannot survive effectively for a very long period of time, and after becoming aware and recognizing what you want to achieve it is very important that you should decide and plan how are you going to achieve your objectives.

Setting the objectives would have need of having a consensus on how the objectives may possibly be accomplished by the manager, individual and the teams. After setting and having a consensus on the objectives it is most important to communicate those objectives to all of them who are going to play their role for achieving those objectives. Communication is very important factor that should be done properly if you are not very clear about your objectives and you are not communicating those objectives to all the employees then there is a strong possibility that interest level in the behaviour of the employees starts to reduce with the passage of time and it might be possible that it will lead towards high turnover rate and in this way your competitor can get competitive edge by attracting your capable employees. So the main advantage of communication with employees about the objectives might be that we can reduce the lack of interest and this thing will be very fruitful for the organization. Employee involvement is very important for activating the interest in employees so the employee involvement should be encouraged by the management, by involving the employees while setting the overall objectives of the organization we can make sure that the employees will be clear on the strategy that might be used to attain their objectives. When employees know that they also

participated in making and designing the objectives of the organization then they will be motivated towards achieving those objectives. 2.

11 Principles of performance management First of all performance management is concerned with performance improvement so that organizational, team and individual effectiveness can be achieved. According to Lawson (1995), “ organizations have to get the right things done successfully”. After that performance management is concerned with employee development. We cannot achieve performance improvement unless and until we have effective processes of continuous development. In fact we should call performance management as performance and development management. After that performance management is concerned with satisfying the needs and expectations of all those people who are the stakeholders of the organization. In particular, employees are considered as partners in the venture and their welfare and interests are respected.

Finally, performance management give emphasis to communication and involvement, and this thing creates a climate in which a continuing and beneficial dialogue takes place between the managers and their teams and this thing lead towards defining the expectations and sharing the information about the organization’s mission, values and objectives. This thing develops a mutual understanding of what we are going to achieve, Armstrong (2000, p. 7). 2. 12 Performance management process We can say that performance management is an ongoing and bendable process in which managers and their teams, to whom they manage, both act as a partner and find out how

they can work effectively and efficiently for achieving the desired and required results. The main and important thing of the performance management process is that it gives emphasis on the future performance planning and improvement instead of conservative performance appraisal. It sets a base for regular and frequent dialogues among the managers and the individuals concerning performance and improvement needs.

Mainly the performance management is related with the individual performance and development; however we can also apply it to teams as well. Performance management is a process in which we compare the output result of performance of the individual or teams with the expectations that are expressed as objectives. The main focus in this process is on development and employee engagement so that employees feel motivated and offer their best capacity for the success of the organization and for effectively accomplishing the designed and set goals and objectives. The performance management cycle 2. 13 Effective performance management Effective performance management system is a system in which we eradicate some traditional appraisal process factors. Factors from those we have to get rid off for making the performance management effective are as follows: * Numeric ratings. * Forced ranking of employees across the organization.

* Imposed and obligatory goals and objectives. * The manager in a judge role with an appraisal document completely written prior to the meeting. * The annual meeting. * The tie between the performance appraisal and the employee raise. Heathfield (2007). So if we think about these above

mentioned points and try our level best to get rid of these things then performance management will be effective and it will impact in the form of positive behaviour of individuals of the organization and they will be motivated, and we know motivated employees put their best efforts for the success of the organization and work with full devotion and dedication for achieving the desired goals and objectives, so this will be a key element for the organizations to gain competitive edge by retaining capable employees and getting best out of them by motivating them through the process of effective performance management. 2.

14 Measuring performance Most probably we all have heard the phrase, " if you can't measure performance you can't manage it and what gets measured gets done". Armstrong and Murlis (1994) propose argument that " performance is a multi-dimensional construct, the measurement of which varies, depending on a variety of factors. " It is very much obvious and logical thing that one cannot improve performance until one know about what the present performance is. By doing this we identify improvement and development needs if there is a deficit. Its main important dimension is that it gives the information that is required for the career planning and nonstop development in a way by identifying strengths to be improved and weaknesses to be overcome. But we can achieve this thing only if we have agreed and reliable performance measures. According to Armstrong and Baron (1998), " Measurement is an important concept in performance management.

It is the basis for providing and generating feedback, it identifies where things are going well to provide the foundations for building further success, and it indicates where things are not going so well, so that corrective action can be taken. In general, it provides the basis for answering two fundamental questions: ' Is what is being done worth doing? ' and ' Has it been done well? '. It is suggested by a number of theoreticians that a balanced scorecard approach presents the potential for an extra suitable calculate of effectiveness. This approach spotlights on various stakeholders counting investors, customers, and employees, and it has been anticipated as a more absolute measure of total performance. As we know for the purpose of measuring the performance of the employees we must have proper and exact performance related information of the employees otherwise it will be very difficult and may be not possible to correctly measure the performance of the employees. In earlier times there exists a traditional appraisal system and in this traditional appraisal system the performance of the employee was measured only by the line manager after one year time period and there was a great problem of personal liking and disliking, so the issue of biasness exists in that traditional appraisal system. So measuring the performance of employees on the performance related information gathered by the line manager is not any more acceptable as a accurate and exact, in the recent years due to the competitive environment and due to the growing need of managing the performance of the employees effectively.

So for getting the accurate and exact information related to the performance of the employees which can be used for measuring the performance of the employees and we know the correct performance measurement of the

employees will lead towards taking the correct actions in order to giving the feedback and anticipating the training needs. So for this reason in recent years the concept of 360- degree feedback is introduced. This is a process in which the information related to the performance of the employees is gathered from different group of people. One of the main and important advantage and benefit of 360- degree feedback is that through this the biasness of the line managers be likely to reduce. The information and feedback related to the performance of the employee gathered from different sources act as an information tool on the overall performance of the individual. This thing gives an overview to the organization that how the skills and abilities of the employees can be improved in order to overcome the flaws in the performance of their employees. The main purpose of measuring performance is that we can get evidence that the desired and expected results are achieved to what extent.

From this we can get feedback information and that information can be used by both the managers and as well as by the individuals to monitor their own performance. It is very important to agree performance measures during the time when objectives are defined. By following this way we can make a fair estimation of progress and achievements and this provides the base for the feedback. 2. 15 Performance reviews After measuring the performance there arise a need for reviewing the performance, performance review meeting is considered as a starting point for considering the three main important elements of the performance, normally we call them three Cs' and these elements are ' contribution', ' capability' and ' continuous development'. The main purpose of arranging a performance review meeting is that the

manager and employee is allowed to have a positive look together at how performance can become more better in the coming time and how can be the issues and problems be solved that are creating hindrance in the way of achieving objectives. Talking about the objectives of the performance reviews, one of its objectives is to develop motivation by providing positive feedback, recognition, praise and opportunities for the growth.

Another objective of performance review is to provide a basis for developing and enhancing the capabilities of the employees that might be helpful and beneficial for the current role of the particular employee or might be any future role that employee might be having potential to carry out in the near future. Performance review meeting also provides an employee an opportunity for the upward communication and this is the occasion at which management can get valuable information from the employees about how they feel about their jobs, their objectives and their relationship with their colleagues and management and this valuable information can be used to examine any deficiency in the performance of the employees. 2. 16

Performance feedback We can say that in the system of the performance management feedback always stay on as essential and important to successful practice. The feedback, though, turn out to be a discussion of both advancement and personal and business goals. In this, employee and manager both have equal chance to convey information to the dialogue. Mostly the feedback is attained from the peers, direct reporting staff and also from the customers in order to improve the mutual understanding of an individual's contribution and developmental needs.

In common terms we say it and understand it as a concept of 360- degree feedback. We have some different stages that should be undertaken to make sure that the performance management is accomplished successfully, and among those different stages one is the setting up valuable customs of giving response and feedback on the performance of the employees, Stredwick (2000, p. 240). We have a lot of methods available in the literature that are used for giving the feedback to the employees in order to improve their performance. We have one traditional method of giving feedback to the employees in this method, line manager or some time supervisor give feedback on the performance of the individual, (Beardwell and Holden, 2001). In the traditional method of assessing the performance of the employee there are many flaws and the main drawback of this is the element of personal liking and disliking of line managers. If we want to assess the performance of the employee properly and effectively than there is a need and requirement of getting the related information from the different angels, instead of using only one source for the purpose of gathering information.

Using different sources for getting the information is becoming very important now days in the competitive environment, and organizations are giving very importance to this issue and we call this phenomenon a 360- degree feedback. This new technique of giving feedback is very effective for improving the performance of the employee. Manager Internal Customers Peers Individual Direct Response 2. 7 Counselling, coaching and training in performance management After completing the step of performance feedback there is a need to have a counselling session of manager with the

employee, if the employee performance is not up to the mark in achieving the organizational objectives that are needed and desired to be achieved. So in this case counselling session is very important and in this session guide the employee what they need to do in order to improve the performance and for the development. After having a counselling session there is a need of a coaching, in counselling guide the employee what to do and in coaching session guide the employee how to do. The main role of a coach is to motivate the employee to perform better.

If the manager is lacking in the coaching skills then this will be problematic for both the employee and the organization because if the manager don't have up to the mark coaching skills then he cannot play his best role for improving the performance of the employee that is essential for the development of the employee, and if employee is not developing then this thing is not in the favour of the organization, so for this reason managers should be given training for enhancing the coaching skills, so after having the desired coaching skills managers are better able to make the employee perform better and guide the employee effectively how to improve performance in order to achieve the desired goals and objectives 2. 18 The role of motivation in managing performance Motivation as an issue encompasses the study of performance management and employee compensation and reward systems. The process of motivation is based on a number of different theories and these theories tries to give us the in depth understanding of the concept of motivation. We have many theories that define the concept of motivation but from those numbers of different related theories some of them are discussed here. Specially enormous and

prosperous range of motivational theories have presented by the psychologists (see reviews by Eccles and Wigfield, 2002; Donovan, 2001; Kanfer, 1990; and Mitchell, 1982). However, there is to a great extent a space available for improvement in how applied performance management gets advantage of motivation theory. If we ask over any working managers regarding motivation theory then it will be surprise to listen to a passable portrait of Maslow's needs hierarchy.

It seems to be very disheartening when we have various flows of motivation theory to think about like, Guest (1997) lobbies for Expectancy Theory as the key relationship among motivation and performance. One of the writer whose name is Donovan, he lists some of those theories that have gained and received a lot of attention in the current decades and those theories are Equity Theory, Expectancy Theory, Cognitive Evaluation Theory, Goal-Setting Theory, Control Theory, and Social Cognitive Theory, Donovan (2001). We can say that when we consider motivation as a subject then we can see that it encompasses the study of performance management and employee compensation and reward systems. We can say that motivation will take place when people anticipate that the action which they are going to take is more expected to lead to the achievement of a goal and a valued reward, so for making the employee motivated it is required that the management should play their role in order to guide the employee that what actions should he take to reach the desired goals and objectives and most importantly there should exist a mutual understanding between employee and the management that if employee perform well as per required then there will be a proper and appropriate compensation package to make the

employee feel satisfied and this is very important and vital aspect for making the employee motivated. Expectancy theory also defines this phenomena that employee will perform well if he is expecting proper reward and compensation for his or her contribution otherwise there is almost very rare chance that employee perform well without getting proper appreciation and compensation. Compensation can be in any form; we can say that there are different dimensions of compensation and reward; it plays a major role in increasing and decreasing the level of motivation in employee. There are some intrinsic rewards and some extrinsic rewards both are very important for motivation depending upon the personality traits of the employees, some feel more motivated if extrinsic rewards are fulfilled and some feels more motivated if intrinsic rewards are fulfilled.

There is also another important issue that also play role in the level of motivation and that is job security, means if employee is feeling that any particular job is very important for him and job market is very tight then the employees will be motivated to perform well in order to save their job. We can also link the equity theory with the motivation of employees and which leads to the performance of the employees. According to equity theory employees compare the compensation they received and the compensation others received in response of their efforts if employees perceive that the level of their efforts and efforts of other employees is same or the level and the ratio of effort of other employees is less and they are getting more compensation and reward and might be more recognition then here comes the issue of fairness. If the management is not fair enough in providing the equality among the employees then most probably it will severely affects

the performance of the employees. There is another factor which plays a great role in increasing the motivation of the employees and that factor is the chances of growth and development, if employees perceive that they have opportunity to develop their skills and abilities by staying in the organization may be because of the training and development programs for the employees, if organization is frequently offering training and developmental programs for the employees then it will be also one factor that is responsible for motivating the employees and when they acquired new skills through training and development programs then their capability of performing well will obviously increase so in this way they will be perform effectively in order to achieve desired goals and objectives. 2. 19 Benefits of effectively implemented performance management system There are a lot of benefits of implementing the performance management system effectively; some of them which are taken from the literature are as follows: * Improved employee work performance.

* Employees with potential for advancement are identified. * Business objectives are realized. * Improved customer satisfaction. * Planning for future HR needs is augmented. * Improved morale. * A clear linkage between pay and performance is achieved. * A competitive advantage is obtained.

* Improved quality of supervision. Peter (2002). As we know that in recent time the competition is growing very fast and also the economic conditions are not very good and due to this many organizations have been stressed towards the breaking point. Now in these conditions and circumstances it is not right to wait for the external improvements like market growth or

technological advancements, now there is a need for looking towards internal improvements in order to sustain in this competitive environment. Now there is a need to give more focus on performance and productivity gains. Therefore the idea of performance management is receiving increased concentration as a direction to better results, Boxall and Purcell (2003).

CHAPTER THREE 3.

ANALYSIS AND DISCUSSION 4. 9 Role of line managers in performance management It is very important to know about the role of the line manager in the issue of performance management. There is no doubt that line manager is the one who is mainly responsible for managing the performance of the employee. Line managers play a very important role in motivating the employees and providing the guidelines to employees in order to achieve the desired goals and organizational objectives. Without the support of the line managers it is not possible to achieve the objectives effectively. Managers are the ones who put the performance management into practice. Line managers are responsible for affecting the perception of the employees, their commitment level, motivational level and the trust of the employees.

HR department can only purchase or develop sophisticated and refined performance management tools. On the other hand, whether these in reality sort effect is largely dependent on the suitable endorsement by the line managers, Gratton & Truss (2003). It totally depends on the line managers that how fairly, skilfully and consistently they are using tools like holding consultation meetings and conducting appraisal interviews and this will show whether these tools are generating a positive effects on the commitment

and the performance of the employees. The responsibility of line managers is to set challenging but at the same time realistic objectives, appraise performance and give feedback. They also make sure possibilities for the development of their subordinates and encourage an environment in which high performance is strained. As we know that rewards are also very important for motivating the employees and for making them perform better, but if compensation and reward system is strong enough but the performance of the employee is not up to the mark then here line managers have to do something for the capability improvement of the employees because if we fulfil every motivational factor but the employee is not capable of performing the certain task then there is a need that line manager do something for the capability development of the employees. So, we can say that the success of performance management greatly depends on the skills and fairness of the managers in performing their tasks and also greatly depends on the relationship with their subordinates.

Organizational performance Employee behaviour and performance Employee perceptions and attitude Front line manager PM- related HRM practices The development of those policies that are essential and required for the purpose of managing the performance of the individual employee starts from the end of decade of 1980's, Armstrong and Baron (2005, pp. 1-2). Most surprising thing is that until now we can see that there is a debate on this issue that to what extent this is the role and responsibility of the line managers.

According to one point of view which is available in the literature of performance management, front line managers are in the best position to appraise the performance of the employees and they can perform this duty

both in a formal and in an informal way in order to make a decision that when they have to get involved if the individuals are not performing up to the satisfactory level and front line managers also have to decide how they have to interfere. It can be argued that how the front line managers perform in this role is seen as a critical not only for the purpose of people management but also for how the organization performs: "it is not HR practices which build organizational success - it is their delivery in a flexible and positive way by the line managers", Armstrong and Baron (2005, p. 12). On the other hand according to the other point of view, the involvement of front line managers in this area is viewed as a problematic and this thing has a potential to destabilize the performance of the organization, Renwick (2003).

The people having this point of view justify their point of view in a way that they say that front line managers as an unenthusiastic recruit to a very complicated human resource role for which he or she may well not be satisfactorily trained or, in fact, rewarded. So possibly, whether the front line managers are pushed, kicked or may be thrashed into performing this key role, Guest and King (2001), now we can perceive one thing naturally that some of the line managers are themselves likely to perform poorly in this role and they give more importance and consideration to their production and sales goals and the main reason behind this which can be easily judged is that they are going to be rewarded for achieving their production and sales goals, instead of their people management responsibilities. One other thing is also noticed that whenever front line managers address the issue of people management, they are unlikely to perform this job with a required consistency, Whittaker and Marchington (2003).

managers not playing effective role We can say that the role of the line managers for the execution of Human Resource Management policies has repeatedly been ignored, and some organizations do not take this issue seriously and don't give emphasis and focus on how to improve the role of line managers in order to execute the HR policies. According to MacNeil (2001) we have a very rare evidence of the organizations providing a formal training to the line managers in order to properly perform the role of facilitating HRM outcomes. From the literature we can see that, three main reasons has been identified for this by Brewster and Larsen (2000), the very first reason for not giving the related formal training to the line managers is that the senior management assumes and believe that the line managers already have the required and related knowledge for making the effective decisions.

Secondly management believes that line managers will learn their HRM role through the practical experience, because line managers are practically playing their role of executing HRM policies so most probably with the passage of time and with the experience they will learn how to execute the HRM policies most effectively and efficiently for the betterment of the organization and for achieving the desired results. Thirdly the senior management do not offer front line managers training earlier to; let them without help during, the experience of their delegated HRM role. So by not arranging and providing the proper training to the line manager's management is playing a negative role because the lack of training and development is a major factor that is influencing the performance of line managers while playing the role of executing the HRM policies, Renwick

(2000). The most amazing and surprising thing here is that the senior management believes that the line managers will learn through the experience that how they can perform their role effectively in order to get results. The inadequacy of the standards and the quality of the HRM practices that are considered that the line manager will be going to learn on the job without the proper guidance and feedback from the side of senior management, so this thing can only be imagined, because this does not seem to be possible, Brewster and Larsen (2000). So here we can argue and give the analysis that if the senior management does not give importance and consideration to the training and development of the line managers then there is a very rare chance that the line managers can perform their task effectively and this thing will also affect the performance of the employees because if employees are not getting the guidance and proper response from the line managers then obviously it will impact on employees in order to achieve goals and objectives, so in this way there is a great chance that organization will lack behind in the race of competition. The role of line managers is considered to be effective only when line managers are helping and giving the employees proper guidance on how to improve the performance in order to achieve the objectives and continuously monitoring employees performance and involving the employees in the process so that the commitment and motivation level of the employees can be enhanced, and also appreciate and compensate those employees who perform well, but we can only expect this role from the front line managers if they are also motivated to perform their role, if they are considering this role as an extra

work and are not fully aware of the importance of performing this role then performance of the employees cannot be managed properly and effectively.

So it is very important that senior management should give importance towards motivating and polishing the skills of front line managers because if frontline managers are motivated and committed then they will be in a position to manage the performance of the employees as per required. 4. 11 Concept of fairness in performance management The concept of fairness is very important in the context of performance management because it plays a very main and major role in increasing and decreasing the motivation of the employees and also in changing the behaviour of the employees. When we review prescriptive literature on performance management then it provides a number of principles for directing the managers rightly. These principles are structured just about the typical performance management activities like performance reviews, employee discipline, and employment termination. When we are going to conduct a performance review, these principles take account of providing the employee with the clarification of the intention and summary of the meeting and letting the employee to endow with a self assessment and input into the performance review, Aguinis, (2007). By following these principles it helps in creating an encouraging climate and this allows managers to have more comprehensive and absolute information, and develops the procedural justice perceptions of the employees, Deblieux (2003).

We can also improve the interactional fairness by showing the empathy and respect for the employee, Aguinis (2007). It is also important that the

positive and negative aspects of the past performance should be addressed by the managers in the meeting but this thing seems fair enough only if this activity is performed in a problem solving framework if managers perform this activity with some other intentions due to personal liking and disliking factor then this is not fair and this might lead towards decreasing the motivation level of the employees.

4. 12 Fairness in performance rating

Normally front line manager is responsible for evaluating the performance of the employees, but for the enhancement of fairness, credibility and objectivity of the performance management system. Scholars argued that it is important to have multi-raters for evaluation of the performance of the employees. Multi- raters can be immediate supervisors, peers, subordinates, self appraisal and customers, Jackson and Schuler (2003). By doing this the credibility of performance evaluation can be seen as fair enough and the element of biasness can be removed, this is a very good idea because as we know that different individuals can see different aspects of an employee's performance, so in this way the credibility of performance rating will be improved.

This phenomenon is called as a 360- degree feedback. This is a new concept in recent decades and getting a lot of importance for effectively evaluating the performance of the employees. The results gained by the 360- degree feedback are more reliable and fair as compared to the traditional way of performance evaluation of the employees in which only one individual play his role for rating the performance of the employees. We can argue that if we use this method for evaluating the performance of the employees then employees will also try to perform swell because they know that everyone

will be going to rate them so this will also act as a motivational factor for performing well in order to develop self importance and ego in front of all the raters. It is observed from the literature available on the issue of fairness that those organizations that are using the fair performance appraisal procedures are not only getting the good related and valuable information but also succeeding in promoting the feelings of satisfaction, and in increasing the motivation and commitment level of the employees. 4. 13 Fairness in compensation and rewardAs we know everyone who puts his or her efforts for achieving the organizational goals and objectives requires some reward and compensation in response to his or her efforts and if we properly reward and compensate that effort then we can expect the continuity of efforts from the employees in order to achieve organizational goals and objectives but if their efforts are not compensated and rewarded properly and fairly then this thing will play his role in poor performance of the employees.

Rewards can be in any form. They can be intrinsic or extrinsic, it depends that what sort of rewards are appropriate for specific employees in a specific context and situation but any how rewards are must in response to the efforts of the employees. Here it is argued that there should be proper standard for rewards and compensation and there should be fairness in compensating and rewarding the employees if you are not fair in rewarding means you are rewarding differently to the same level of efforts then this is not a fair practice. Here we can link this issue with the equity theory, according to this theory we can argue that employees compare the ratio of their efforts with the ratio of the efforts of the other employees and then

they compare the amount of reward if there is equality then they will be satisfied but if they observe any inequality and unfairness in rewards and compensation then this thing will lead them towards dissatisfaction and from this their performance will be affected very badly. Therefore the designing of any compensation and reward system should take the 'contribution and reward', 'effort and reward' ratios into account for achieving the effectiveness. This is a very noticeable thing that the success of a reward system does not lie down only with employees' participation in the primary designing stages, or certainly even with a particular set of measures designed to administer such schemes. Without the existence of perceived fairness, trust in a reward system or incentive schemes such as Performance related pay will most likely to be low.

Most importantly, there is a possibility and distinctive threat that the conditional link between performance and pay will not be accepted. A lot of time it has been noted that mostly managers are unhappy with their wage system most of the time and the reason for this is that they do not perceive the link struck between their productivity (due to the result of their hard work) and the amount they earn as equitable, Harlow and Lawler (2000). The issue of fairness is even more significant in those organizations where the opportunities for the promotion may be limited or inaccessible. If we see the issue of 'perceived fairness' in a broader perspective, it involves three features, first is the fairness in terms of the efforts by the employer to gratify the intrinsic needs of the employees, secondly meeting their expectations, and thirdly in terms of unbiased distributions of reward packages across the panel. This thing is also very much appreciated if there exists any appeal

system in case if any individual perceives and believe that he is not getting proper and fair compensation and reward in response to his or her efforts, this thing seems to be fair enough and this thing might be save the individual from going towards the stage of dissatisfaction which is the main cause of poor performance. Employee perception of fairness of performance appraisal has been studied as a major factor in employee acceptance and contentment of performance appraisal. This thing is indicated in the literature that there are a lot of factors to think about in the assessment of performance appraisal including employee mind-set towards variables such as perceptions of fairness.

It is indicated by Bretz, Milkovich and Read (1992) that one of the most significant performance appraisal problem faced by organizations is the perceived fairness of the performance review and the performance appraisal system. According to their findings most employees remark their performance appraisal system as neither accurate nor fair. It can be argued here that when there generates a belief in the employees mind that the system is biased, political or irrelevant then the factor of dissatisfaction starts and this leads towards the poor performance of the employees in the coming future because unless and until employees or you can say that front line managers are not satisfied they will not put their best efforts for the success of the organization. So senior management have to take steps in order to make front line managers satisfied so that they can play their role for making the employees satisfied and motivated for the betterment of the organization. 4. 14 Organization justice theory In organizations the issue of fairness has been studied comprehensively by researchers in the field of ‘

organizational justice'. It is noticed that the justice theory has been applied to numerous organizational systems and this thing gives a hypothetical foundation to look at the complications of performance appraisal more deeply and thoroughly.

The concept of organizational justice is defined as the study of ' fairness at work', Byrne and Cropanzano (2001). This is a common agreement from the organizational justice researchers that fairness can be divided into two most important types. The first type is known as " distributive" justice. Distributive justice deems the fairness of the outcomes of a particular decision. Whereas the second type is known as " Procedural" justice, and this is usually defined as the fairness of the processed that lead to the outcome. These two areas are very important and are responsible for developing the basis for the widely held researches that are conducted in this field in the last twenty years, Byrne and Cropanzano (2001). From the above all discussion we can say that fairness is a one very important variable that is considered and indicated by the researchers as a main component in the success of performance appraisal system and as we know the performance appraisal system is the main part of the performance management system so if performance appraisal system is successful then obviously this thing will have a great impact in the success of performance management system.

So we can say if these are successful then there will be very rare chance for the offering of poor performance from the employees. Because when employees will be satisfied and perceives the system to be fair then they will show their satisfaction in the form of motivation and by performing as per

required. 4. 5 Performance management leads to motivation and engagement It is very much clear after reviewing the literature that the performance of the employees can only be managed effectively if they are motivated and satisfied and they are engaged and involved in the different activities that are important for making the performance more effective and also if they are engaged and involved during the process of setting the goals and objectives, so when the performance of the employees is managed properly and effectively then obviously it will lead towards higher level of motivation and engagement. Because when the employees will be motivated then they will engage themselves in the important activities of the organization like setting of the overall organizational objectives and trying to achieve those objectives and goals by putting their best efforts. According to Lawler and Benson (2003, p. 56), employee involvement is defined as ' providing opportunities to the lower level employees to make decisions related to the conduct of their jobs and to participate in the business as a whole'.

This thing will increase the confidence level of the lower level employees and due to this their motivational level will increase to a great extent and they will show their full commitment towards achieving the desired goals and objectives. As we know that in the process of performance management we manage to improve the performance of the employees, and for this reason we give a lot of importance to the rewards and compensation schemes along with some other main factors that are responsible for making the employees satisfied and motivated, so we can say that performance management leads towards higher level of motivation and engagement. While improving the

performance of employees, as we have discussed in literature review that if employees are not capable of performing certain tasks and they are lacking in some important skills that are important for performing better in order to achieve the desired goals and objectives then there arises a need of training and development and when we take some steps for developing the skills and capabilities of the employees then this thing creates a satisfactory effect on the employees because when they see that organization is taking steps for their development then their motivation level will increase and they will show more commitment towards achieving the objectives and towards improving the performance. We can define the effective commitment as a positive emotional attachment between the employee and the employer. Employees with a high commitment level have strong belief in organization's goals and objectives. Here we can argue that this level of high commitment might be due to the perception of the employees that the organization is committed for the betterment of the employees. It is very common and general understand that the commitment of the employees will increase when organization's provide them with the opportunities of growth and development and help them in order to build up skills, knowledge of latest things and abilities.

So when organizations invest on the employees for their development so in response to that investment the capabilities of employees, motivation level and commitment will also increase. These all things play an effective role in improving the performance of the employees in order to achieve the organizational goals and objectives. We should also keep in mind that there is a need for updating the skills of the line managers and also there is a need

for satisfying and motivating them by giving them proper compensation and rewards according to their efforts so that they can properly and effectively play their role of managing the performance of the employees. CHAPTER FOUR CONCLUSION After reviewing the literature and discussing the different aspects and issues in the concept of performance management we are here to conclude the above mentioned discussion. The concept of performance management is getting a lot of attention in some recent decades due to the tight competitive environment and also due to the severe economic conditions. So instead of waiting for the improvement in external factors organizations are focusing in improving the internal factors like performance and productivity. It is concluded that in order to improve the performance of the individuals of the organization there is a need to focus on those things which are very important for satisfying the employees and motivating them so that they can show their commitment and motivated behaviour for achieving the required performance standards.

It is also concluded that for achieving performance management effectively there is a need that management defines the objectives of the business, that should be realistic and achievable and then the role of frontline manager is also very important for managing the performance of the employees. Line managers play a very important role in motivating the employees and providing the guidelines to employees in order to achieve the desired goals and organizational objectives. Without the support of the line managers it is not possible to achieve the objectives effectively. Managers are the ones who put the performance management into practice. Line managers are responsible for affecting the perception of the employees, their commitment

level, motivational level and the trust of the employees. HR department can only purchase or develop sophisticated and refined performance management tools. It totally depends on the line managers that how fairly, skilfully and consistently they are using tools like holding consultation meetings and conducting appraisal interviews and this will show whether these tools are generating a positive effects on the engagement and the performance of the employees.

The responsibility of line managers is to set challenging but at the same time realistic objectives, appraise performance and give feedback. They also make sure possibilities for the training and development of their subordinates in order to make them capable of performing up to the standards and encourage an environment in which high performance is strained. It is also concluded that for assessing the performance of the employee properly and effectively there is a need and requirement of getting the related information from the different sources, like peers, subordinates, self assessment, supervisor, customers etc, instead of using only one source for the purpose of gathering information. Using different sources for getting the information is becoming very important now days in the competitive environment, and organizations are giving great importance to this issue and we call this phenomenon a 360- degree feedback. This new technique of giving feedback is very effective for improving the performance of the employees. Because in this technique the personal biasness and personal liking and disliking issue of line managers can be tackled. It is also concluded that there is a need for updating the skills of the line managers and also there is a need for satisfying and motivating them by giving them proper

compensation and reward according to their efforts so that they can properly and effectively play their role of managing the performance of the employees.

Finally it is concluded that everyone who puts his or her efforts for achieving the organizational goals and objectives wants to get proper reward and compensation for his efforts. There should be proper standards for rewards and compensation and there should be fairness in compensating and rewarding the employees if the element of unfairness exists and employees are compensated differently at the same level of efforts then this thing will lead towards dissatisfaction, here it is also very important to note that fairness in every aspect is required for satisfying the employees and satisfied and motivated employees are the ones who perform according to the requirement.