

## PERFORMANCE MANAGEMENT

**Nidhi Malhan, Rinku Singhal**  
**PHD Scholar JJT University Rajasthan**  
**St .Kabir institute of professional studies Ahmedabad,Gujrat.**  
**[nidhimalhan1@gmail.com](mailto:nidhimalhan1@gmail.com), [rinkusinghal.87@gmail.com](mailto:rinkusinghal.87@gmail.com)**

### 1. ABSTRACT

Performance management is a continuous process of identifying, measuring, and developing the performance of individuals and teams and aligning performance with the strategic goals of the Organization. Performance management systems can be based on a consideration of behavior, results or both. The most successful performance management systems required training in using the system, established clear accountability for the people using it, and focused on competencies. Performance management is an important business system; it makes a difference in organizational performance; approaches to performance management are changing; and senior managers must be attentive to the performance management systems in their organizations. Organisational Behaviour research needed to maximize the effectiveness of performance management through Social power, influence, and leadership, Trust, Social exchange, Negotiation and communication, Mentorship. Performance management systems directly influence five critical organizational outcomes: financial performance, productivity, product or service quality, customer satisfaction, and employee job satisfaction.

### 2. INTRODUCTION

Performance management is a critical business tool in translating strategy into results. Performance management is the development of individuals with competency and commitment, working towards the achievement of shared meaningful objectives within an organization that supports and encourages

their achievement. Performance management is basically concerned with optimizing the quality of work and technical efficiency in health system through quality assurance strategies and mechanism including built-in accountability at all level of service provision

It leading to accreditation , regulation of access to practice and surveillance of practice by professional council. performance management systems are the source of information used in making decisions about rewards and the allocation of resources, In the absence of a good performance management system, it is not clear that organizations will use their training resources efficiently. Performance management provides information on developmental needs for employees succession planning and staffing strategies.

### 3. MANAGEMENT

Performance management is an ongoing process that involves prerequisites, performance planning, performance execution, performance assessment, performance review, and performance renewal and re-contracting. The most successful performance management systems required training in using the system, established clear accountability for the people using it, and focused on competencies. Choosing appropriate approaches to performance measurement for the needs of the organisation, implementing them systematically, and evaluating their impacts internally and externally, are three complex sets of processes which managers have to grapple with while being under increasing pressure to actually deliver 'optimum performance' now. Performance management therefore provides an important integrating framework, both academically and practically. It goes well beyond the traditional boundaries of management accounting, and will require the skills of management accountants \_and management accounting researchers. to be developed in at least three areas. First, the management accountant needs to understand the operational activities of the organization. This was a traditional skill of the old 'cost and works' accountant, but one that has been neglected more recently. Attempting to design control systems without having a detailed knowledge of how the business works is likely to prove a recipe for disaster. Second, there is a need to connect control systems design with issues of strategy, both espoused and emergent. Control systems need to reflect the aims of an organization and the plans that have been developed to achieve those aims. The 'strategic management accounting' movement has

recognized this challenge, but has been more concerned to develop new techniques than to design overall control systems. Third, there is a need to focus on the external context within which the organization is set, rather than just being concerned with internal activities.

Competitor analysis is clearly important, but even more central is the value that an organization is delivering to its customers.

In the absence of a good performance management system, it is not clear that organizations will use their training resources efficiently. Performance management provides information on developmental needs for employees.

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