

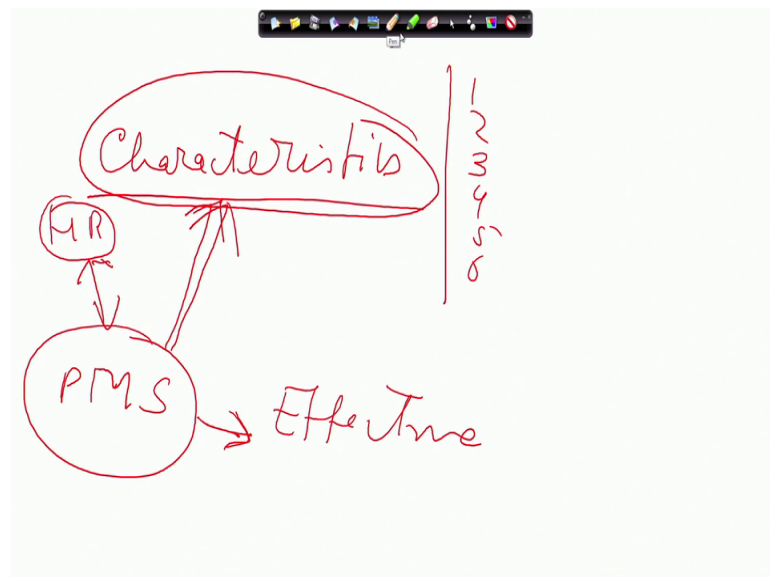
**Strategic Performance Management**  
**Prof. K. B. L. Srivastava**  
**Department of Humanities and Social Sciences**  
**Indian Institute of Technology, Kharagpur**

**Lecture – 03**  
**Characteristics of an effective PM system**

So, Good Morning, now we are moving to the third lecture of this first week, and here we are going to discuss about the characteristics of an effective performance management system. Now when we are talking about effectiveness of a performance management system, then we have to see that how we are going to develop a good performance management system. The idea here is that when you are thinking or planning about developing a good system, to manage the performance of the employees groups or the organizations. So, you must take care of certain things which is very very important. If you do not take care of these things probably, you will not be able to have a good system. So, what we are going to do here is we are going to start with discussing some of these characteristics one by one, and then we will see that what can be done.

So, in the next lecture, again what you are going to do is, we are going to discuss about to the characteristics.

(Refer Slide Time: 01:09)



So, when you are going to talk about the characteristics and we have before that you know, we have talked about that what is performance managing systems. So, any

performance management system which we would call as PMS. So, this PMS ha will have some certain characteristics, if you want to see that this PMS is going to be effective.

If it is if you do not want an effective PMS system then it is all right, otherwise you have to see that how you can go about developing a good performance management system. So, what we are going to discuss about the characteristics of the performance management system. Say for example, you want to see that your performance system is reliable or consistent, you want to see that it is meeting the objectives right. You alto you also want to see that people are happy satisfied with the performance is manager right.

So, there could be a lot of issues related to performance management system. So, that is why we are going to talk about this kind of thing again so that we are going to discuss about these issues in detail. So, we are moving from the characteristics sorry we are talking about these characteristics of the performance management system and we want to make it effective. The process here is that we will discuss of these characteristics like 1, 2, 3, 4, 5, 6; whatever it is, and then you need to ensure that this performance management system which is basically a part of the HR and then, how it is going to be aligned. So, this is what we are proposing, here in this case when you are talking about performance management system as such. So, we are moving to the next part and then we are again going to see that how we look at this. So, we are going to start with this.

(Refer Slide Time: 02:56)

**Characteristics of effective PM system**

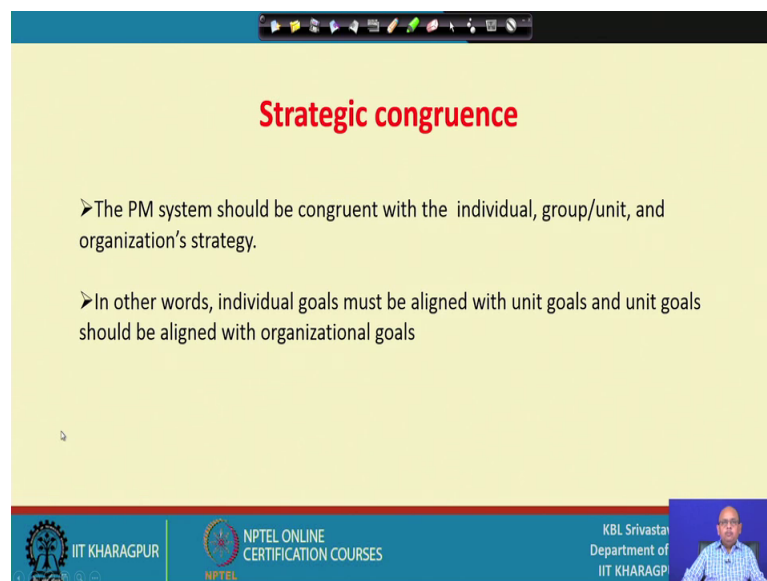
1. Congruent with organizational strategy
2. Thorough
3. Practical
4. Meaningful
5. Specific
6. Identifies effective/ ineffective performance
7. Reliable
8. Valid
9. Acceptable and Fair
10. Inclusive
11. Open (No Secrets)
12. Correctable
13. Standardized
14. Ethical

(Source: Auginis, 2013)

IIT KHARAGPUR | NPTEL ONLINE CERTIFICATION COURSES | KBL Srivastava  
Department of HSS  
IIT KHARAGPUR 27

So, now if you look at this, it talks about a number of characteristics like it has to be congruent with strategy, it has to be good enough. So, it means whenever you want to develop a effective performance management system, it is good it has to be practical it means that you are able to easily implement, it is really carry it out, make sense and thus make sense. So, what we are going to discuss now that you are going to discuss each of these characteristics in detail, when I am talking about a good performance management system.

(Refer Slide Time: 03:24)



**Strategic congruence**

- The PM system should be congruent with the individual, group/unit, and organization's strategy.
- In other words, individual goals must be aligned with unit goals and unit goals should be aligned with organizational goals

IIT KHARAGPUR | NPTEL ONLINE CERTIFICATION COURSES | KBL Srivastava Department of IIT KHARAGP

So, say for example the first characteristics that it has to be congruent with the strategic plan of the organization right. It means if you remember we talked about that if you are going to develop a poor performance management system you need to see that, first of all you are going to plan about the individual and make sure that this individual plan is going to be aligned with the group plan and then you have to see that how it is going to meet the strategic objectives of the organization.

So, what are you going to do here is, again when I am talking about this is that you go for strategic congruence or if you do not want to go for this and if you want to move further you have to see that, how we can go about meeting the context congruence.

(Refer Slide Time: 03:56)

**Context congruence**

- PM system be congruent with the organization's culture as well as the broader cultural context of the region or nation as culture plays an important role in the effectiveness of a performance management system.
- interpersonal aspects of the PM system are adapted and customized to the local culture.

IIT KHARAGPUR | NPTEL ONLINE CERTIFICATION COURSES | KBL Srivastava  
Department of HSS  
IIT KHARAGPUR 29

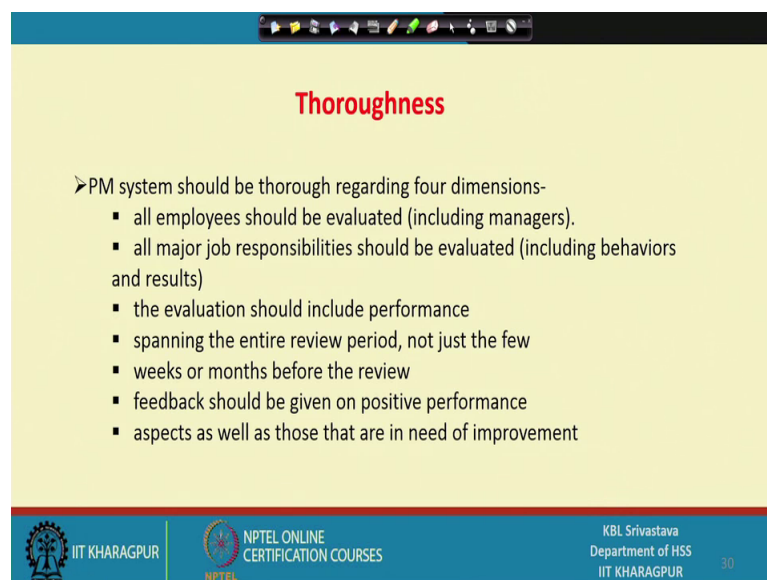
And when I am talking about the context congruence, the idea here is that you make sure that it is congruent with the culture, culture in the sense that it is we are talking about here the norms and values of the organization. Not only norms and values of the organization, but it is also; we also need to look at it that how it is going to be congruent with the place where it is located or the broader national culture. So, when we are going to talk about the culture, especially the culture of the place and culture of the nation is also important because it provides a context in which any activity is done by the organization.

So, when I am talking about a contract congruence, the idea here is that at the first place you are going to ensure that this system is aligned with the goals and objectives of the organization. Where you are going to see that individuals, groups and organizations are going to have a goal which has synchronous in nature, in the sense that individual plans and goals are meeting their group goals or the unit's goals, and the unit goal is congruent with the organizational goals. So, after strategic congruence when you are talking about the context, the context actually is very very important, the context especially where if here we are talking about the cultural context. Note the social economic context, when you are talking about the cultural context. So, the culture of the organization should be such so, that it promotes ineffective performance management system.

So, if say that which is developed by the top management. Say for example, if the top

management does not want to have a culture, where people are going to have a transparent and meaningful systems. So, you are not going to have a good performance management system. So, basically when I am talking about culture, you have to see that you are focusing on the relationship issues, interpersonal issues; because you have to see that that how people and systems inter act and relate with each other, how people relate and interact with each other, because this system is to be measured in some way and this measurement is very important in the sense that the culture is going to be looked into, because the culture is going to affect the way people work and in the organization. And this culture also strongly influences the people and their behavior. So, when it comes to performance management we it is very very important, that we look into these kind of issues.

(Refer Slide Time: 06:35)



**Thoroughness**

- PM system should be thorough regarding four dimensions-
  - all employees should be evaluated (including managers).
  - all major job responsibilities should be evaluated (including behaviors and results)
  - the evaluation should include performance
  - spanning the entire review period, not just the few weeks or months before the review
  - feedback should be given on positive performance
  - aspects as well as those that are in need of improvement

IIT KHARAGPUR | NPTEL ONLINE CERTIFICATION COURSES | KBL Srivastava Department of HSS IIT KHARAGPUR 30

The third thing that you are going to discuss is that what kind of performance management system you want. It means that everybody who is working in the organization must to be evaluated. Because it is not that you are going to evaluate only few and you are going to leave out the senior people or you are going to leave out to the shop floor top floor people because you think that their performance does not contribute. So, irrespective of the fact that what everyone contributes across levels, you need to ensure to ensure that every person is going to be evaluated by the organization. So, the first thing is that all employee should be evaluated including top management, senior managers, junior managers and middle managers including your stuff, who so ever is

working in the organization. So, that is the first point. The second point is that you also ensure that what they are doing. Because the evaluation of the performance depends upon the responsibility that a person has and is associated with the job, and this comes from job descriptions.

So, you need to ensure that when you are going to evaluate tasks, duties and responsibilities of the people that is given with any particular job, you are going to see that how you are going to do it. So, what are you going to evaluate? Both the behavioral part and also the outcome; outcome that is measured in terms of productivity or output that you have, and the behavior that how interact relate and do all kind of things because that also contribute to your performance right. So, it include the performance for what? For the entire (Refer Time: 08:18) not just the few, because sometimes we see that managers are more interested to look at the current performance and not the entire span of the performance. Because you have a performance cycle, and in the performance cycle you have to see that the performance is evaluated or managed whatever you whatever you call for the entire period.

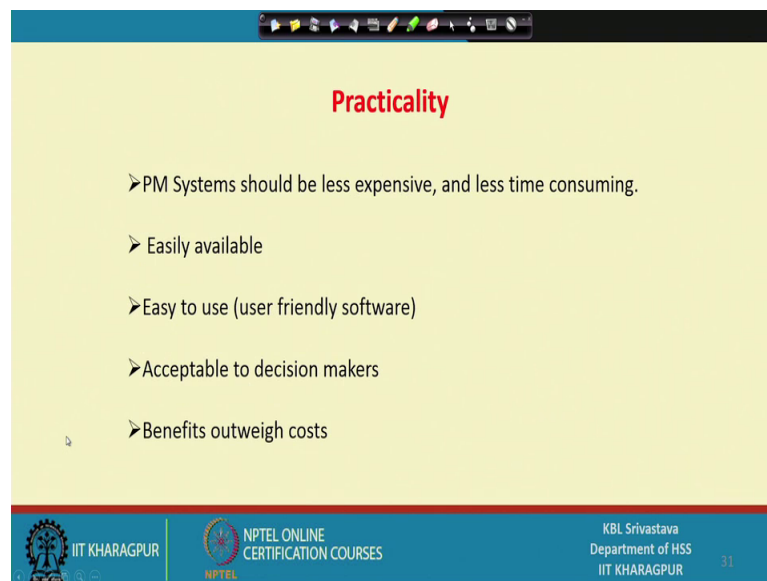
So, suppose you have a one year of performance cycle. So, for one year you have to see what the person has done. So, this performance should include spanning the entire review period, because that is very very important not just a part of it, for a weeks or months before the review because that would give a recency of it or suppose you are looking only at the in the first of first months, then that is also not good because in that case you are not evaluating the entire performance right.

So, there are certain issues that need to be looked into, because that is you evaluate everyone evaluation should be based on what a person does in terms of its responsibilities, which include both technical and non technical issues like behavior and results, then the entire performance period should be taken into account and another issue is that you must provide feedback on positive performance. It means that you have to give constructive feedback to ensure that people are able to improve their performance. If they are not going to improve their performance based on this constructive feedback it means you are not having a good performance management systems ok.

So, once you are giving constructive feedback you are identifying both, what are the

good things that a person has done and what are the bad things that he has done, and what are the areas where the person needs improvement. So, you are able to identify both; because that would provide an opportunity for further learning and development similarly he can further strengthen his competencies, in those areas where he is already doing very well right. So, thoroughness is very very important and make sure that it is thorough.

(Refer Slide Time: 10:14)



**Practicality**

- PM Systems should be less expensive, and less time consuming.
- Easily available
- Easy to use (user friendly software)
- Acceptable to decision makers
- Benefits outweigh costs

IIT KHARAGPUR | NPTEL ONLINE CERTIFICATION COURSES | KBL Srivastava  
Department of HSS  
IIT KHARAGPUR | 31

Then we are going to next discuss, the next issue which is related to practicality, now when I am going to talk about practicality, it means that you have to have a system which is easy to implement in the organization right and this practicality has to be looked into from various criteria, like what is the cost of implementing a performance management system and how much time we are going to take up to implement this particular system.

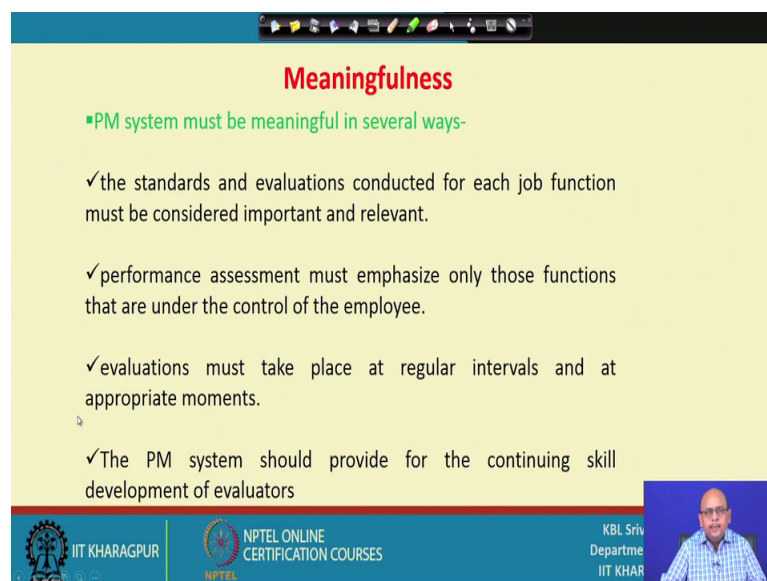
Since it is an early most of the organization, you have a performance cycle within which you are going to have it so many companies have gone for what you what you call a automated performance management systems, where they have developed systems and software to make it less expensive and then it is easy to use and fill up these forms a you can have a access to it, because it is available prior did you have the systems right. So, it is very important to go for a system which is less expensive, because any activity that you are going to perform has its cost. So, implementing a good performance management system has to be made cost effective, make sure that it is easily available to

people who are part of the process or who are into the evaluation.

Similarly you also make sure that people who are going to use this whether it is online or offline, they find it useful. So, when you are going to develop it you have to ensure that, and then you also ensure that whatever evaluation is done by the managers for their subordinates, the top managers or HR managers who are going to look into the performance of the people after the evaluation is done are able to take certain decisions and it is acceptable.

So, it has to be very clear. In clear terms it should not be biased and that is very very important from the practical point of view. So, the practicality basically talks about ease of implementation being cost effective, and another important thing is that make sure that benefit out to its cost. Because if the benefit is less than the cost of implementing a system, then it is not good and that is why many companies today are using a lot of software's and they have implemented soft.

(Refer Slide Time: 12:34)



**Meaningfulness**

- PM system must be meaningful in several ways-
- ✓ the standards and evaluations conducted for each job function must be considered important and relevant.
- ✓ performance assessment must emphasize only those functions that are under the control of the employee.
- ✓ evaluations must take place at regular intervals and at appropriate moments.
- ✓ The PM system should provide for the continuing skill development of evaluators

IIT KHARAGPUR | NPTEL ONLINE CERTIFICATION COURSES | KBL Sriv Department IIT KHAR

And these kind of things in their organization now another important point is that, you have to think about it that is that does it make sense to have a performance management system in the organization. In one way in what way it is going to be meaningful to the people the organization including managers.

So, we need ensure that performance management system is going to be very very useful



means that when you are going to develop a system, make sure that for all the jobs that exist in the organization is going to contribute to the organization. And make sure that it is understood by the managers that that job is contributing, and is relevant in the sense that it is going to do it without it you cannot perform or do any activities. So, all jobs are going to be considered and important and relevant. And for every job you are going to develop certain standards and based on these standards, you are going to conduct certain evaluations. Say for example, in an academic setup you have different kind of people, you have faculty, you have technical staff and non technical staff. So, it is you have support a staff.

So, having these jobs does not mean that you are going to evaluate only faculty, because they are going to contribute to teaching and other kind of things. You are going to continue evaluate the performance of everyone whether it is a non teaching job or whether it is a support staff, because they also contribute to the performance of the organization. And for all the jobs you need to develop separate standards, it is not that you are going to use the same standards for all the jobs because it does not make sense. And similarly you are using those standards or criteria for evaluation for each jobs. So, for each job based on job analysis and job description, you are going to develop standards or criteria, and then using those standards basically you are going to evaluate right.

So, each job must be understood in terms of its contribution and importance, and then you develop criteria for that. Now what all what you are going to evaluate? So, when you are going to assess the performance, you are not going to evaluate it on the basis of what is what a person is not able to do, but what he is able to do. In the sense that see when you are going to do a job, it is necessary that you are going to evaluate the person performance which is within the control of an employee. There could be number of factors which is not under control of the employees, in that case if you are going for this probably you will not be able to evaluate properly. See for example, if you want to evaluate a sales person's job right in terms of his performance. So, you have given certain targets to meet, which will become the standard for evaluation. Now this performance targets based on certain external factors as well, which may not be under the control of the employees.

Like if the economic conditions are not good there is a recession and the person is not able to meet the sales target, should we say that the person has performed not well? It

means that you have to identify only those factors which are important, which contribute to his performance and how it is facilitated. So, the idea here is that you are going to emphasize what is under the control of the employees, those factors which is not under the control of the employees should not be accessed because the individual has no role there. Similarly how frequently you are going to evaluate performance.

In normal terms you will find that in most cases performance is evaluated annually, in some cases it could be in 6 month, in case of professionals it could be 3 months after which you are going to evaluate. So, when you are going to evaluate performance on annual basis, would you call it a good exercise that becomes an annual performance appraisal?

But if you really want to manage the performance in a meaningful way, you should go for continued evaluation and that is why you will find that many organizations today go for regular evaluations regular evaluations, they do not depend upon annual performance evaluations. Using appropriate methods, observations of the employees keeping track of the employees performance on a regular basis, you can see that how well the person is performing and that is why you will find that many it companies are even other companies also have moved from annual performance reviews to regular performance reviews.

So, almost on a weekly basis or daily basis you can say their performances being monitored to ensure that they are able to achieve the performance level which is desired. And you also need to ensure that whether the system is going to help them to grow and develop themselves or not. So, those things are to be taken care by the managers. So, manager's should ensure that those who are performing very well, it is going to help them to develop. Similarly you will also need to see that those who are evaluating they are having the skills which is required for evaluating the performance, sometimes you know that managers become biased in evaluations.

So, they also need to be trained in those areas where they are not very comfortable and they do not know how to evaluate performance. Through if you take care of these things probably you can say that yes performance is going to be measured in a meaningful way.

(Refer Slide Time: 18:18)

The slide is titled "Specificity" in red. Below the title, it states "A good system should be specific:" in green. There are two bullet points: "•It should provide detailed and concrete guidance to employees." and "•What is expected of them and how they can meet these expectations." The slide footer includes the IIT KHARAGPUR logo, NPTEL ONLINE CERTIFICATION COURSES logo, and a small video inset of a man in a blue shirt. Text next to the video inset reads "KBI Sriv Department IIT KHAR".

Now, another imp issue is very very important that a specific. A specific means that you have to provide a specific instructions, when it comes to managing performance and this should be you can say relate to that, what are the things that he has to do, how he is going to do it, what is expected of the employees and how they are going to meet these expectations, what are the norms and guidance that they need to follow ok.

So, you are what basically this point suggests is that, you need to communicate about what is expected from him in terms of performance targets that is to be achieved, and how they are going to meet these performance targets. Why I am talking about the specifically a specific factors is, that a good management performance management system hides these details and specific guidance to the employees in terms of targets that need to be achieved and aw how they are going to meet these target. It means that you need to provide some kind of guideline framework which is available based upon what they are going to do, and there is a support from the management to ensure that they are able to achieve it.

(Refer Slide Time: 19:37)

**Identification of effective and ineffective performance**

- PM system should provide information that allows for the identification of effective and ineffective performance.
- Allow for distinguishing between effective and ineffective behaviors and results.
- A system that classifies or ranks all levels of performance and all employees similarly is ineffective and not useful.

IIT KHARAGPUR | NPTEL ONLINE CERTIFICATION COURSES | KBI Srivastava  
Department of HSS  
IIT KHARAGPUR 34

So, apart from this a specific factors, we also need to identify that a good performance management system is able to differentiate between good and bad performance. Because if you are using a standard performance management system without any bias. So, it is going to provide you information about the performance of the people, and if it is going to provide you information about the people and you are going to compare it with the standard and evaluate it you can very well see whether the person has performed effectively or not.

So, you will be able to identify those who are able to perform well and those who are not able to perform well. For example, as a teacher when I am going to a; teach my students I can clearly see after the examination is over that. These are the students who have done well it means that they have performed well and these are the students who have not been able to perform well. Provided I am going to use a reliable assessment tool to ensure that there is no bias and everybody has been treated equally.

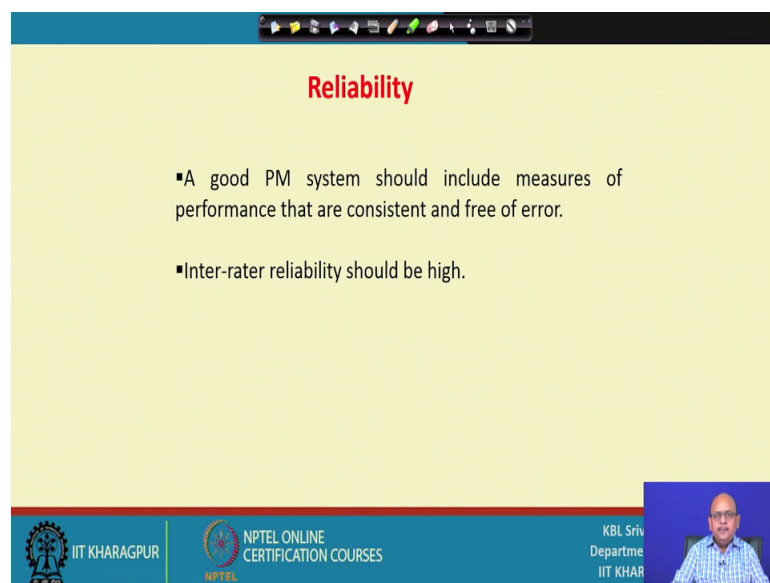
So, if that happens your performance management system other way you are going to assess performance will help you to identify good performers as well as bad performers. The idea here is that you will be able to know that why what are the things that happens because of which some people or some students have been able to perform well and some of them are not able to perform well.

Again here you can see that this good or bad performance or what you call effective or

ineffective performance is related to what you call the behavior or results. It means that what is the reason, is it outcome which is not good or is it because of the behavior because of which the performance is not good, because both behavior and results contribute to performance right.

So, you have to have a system or performance management, we can classify people based on their performance. And then you can see that; what is the level of employee performance, across a set of people or groups. So, you can grade them also or you can rank them from very good to good to not so good or bad performers right and that is possible only if you are going to use a very consistent performance management system, which is free of biases and the evaluators are trained, so that they are able to distinguish between good performers and bad performers now.

(Refer Slide Time: 22:14)



**Reliability**

- A good PM system should include measures of performance that are consistent and free of error.
- Inter-rater reliability should be high.

IIT KHARAGPUR | NPTEL ONLINE CERTIFICATION COURSES | NPTEL | KBL Sriv Department IIT KHAR

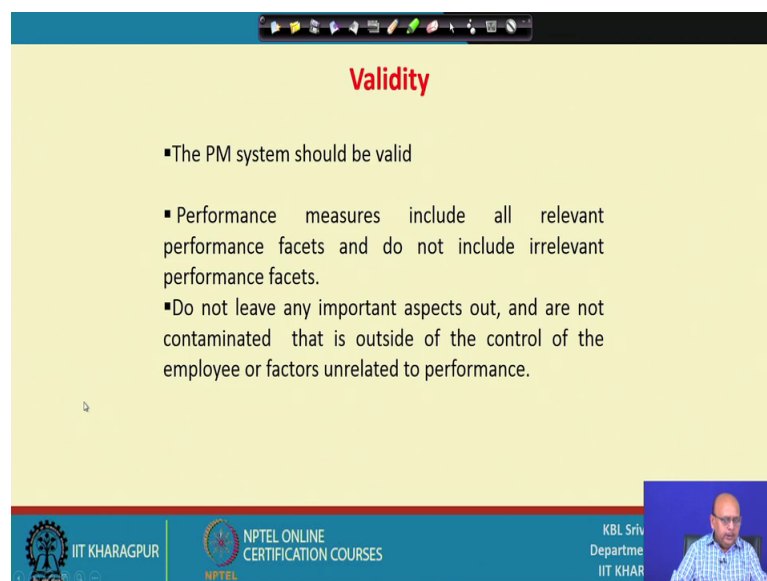
This basically raise another important question that is reliability.

Now when I am talking about reliability, reliability is related to consistency. Now there are two things. One is that you can see whether a person is performing consistently well or not, it means that his performance can be said to be reliable right. But here we are talking about a performance management system, and when we are talking about a performance management system we also need to ensure that this performance system management system is consistent.

It means if you are using this performance management system across a period of time or across set of people, it is giving uniform results. It means there is no biases no error and then only you can say that yes this performance system is reliable. So, how do you are going to ensure that, the a system is reliable and con giving consistently good results or bad results right; if you are going to admister; the same performance management system over a period of time.

And you get oh give get more a similar results, then you can say yes this performance management system is good or suppose this performance management system is implemented or admistered and executed by different sets of managers, even then you all you are finding similar or consistent results. T his is what we call inter rater reliability inter rater reliability means that two raters or two administrators who are evaluating the performance, and they find that the system is good because it both the raters are coming to the same conclusion or similar results and that is how we ensure the reliability of a system.

(Refer Slide Time: 24:03)



**Validity**

- The PM system should be valid
- Performance measures include all relevant performance facets and do not include irrelevant performance facets.
- Do not leave any important aspects out, and are not contaminated that is outside of the control of the employee or factors unrelated to performance.

IIT KHARAGPUR | NPTEL ONLINE CERTIFICATION COURSES | KBL Sriv Department IIT KHAR

Another issue is related to validity. Since reliability and validity are very very important because they provide some kind of norms high standard standardization to the process of performance management system. So, first we talked about that performance system management system need to be standardized right, second we talked about it has to be reliable.

Now the third thing that this system has to be valid, now when we are talking about validity what does it mean? Validity in general is defined as what that it is going to measure those things, which you intend to measure; it means that your objective here is to measure the performance of the individual right. So, when you are going to measure the performance of the individual, it means that you are going to include all the dimensions of the performance which is important right, and it does not include other irrelevant factors right and you are not leaving other important an important factors, and it is not comp contaminated, means that you are not including those things which are outside or beyond the control of employees right. So, if you are taking care of this it means that you are going to have a system which is invalid also.

So, standardized system, reliable system and valid system are very very important.

(Refer Slide Time: 25:25)

**Acceptability and fairness**

PM system is acceptable and is perceived as fair by all participants  
Such perceptions include four distinct components-

1. *distributive justice*, which includes perceptions of the performance evaluation and reward received relative to the work performed
2. *procedural justice*, which includes perceptions of the procedures used to determine the ratings as well as the procedures used to link ratings with rewards
3. *interpersonal justice*, that is the quality of the design and implementation of the PM system
4. *informational justice* refers to fairness perceptions about performance expectations and goals, feedback received, and the information given to justify administrative decisions.

IIT KHARAGPUR | NPTEL ONLINE CERTIFICATION COURSES | KBL Sriv Departme IIT KHAR

Now, once they stunt the system is standard, reliable and valid then we can talk about that the system is going to be acceptable to all this stakeholders in the process, whether it is subordinates or the senior managers or line managers who evaluate or even hr managers right. It is possible only when you are going to have a system which is reliable and valid that is one thing that is related to acceptability. It means that their perception about a performance management system has to be seen in such a way so, that they find that yes it is free of error.

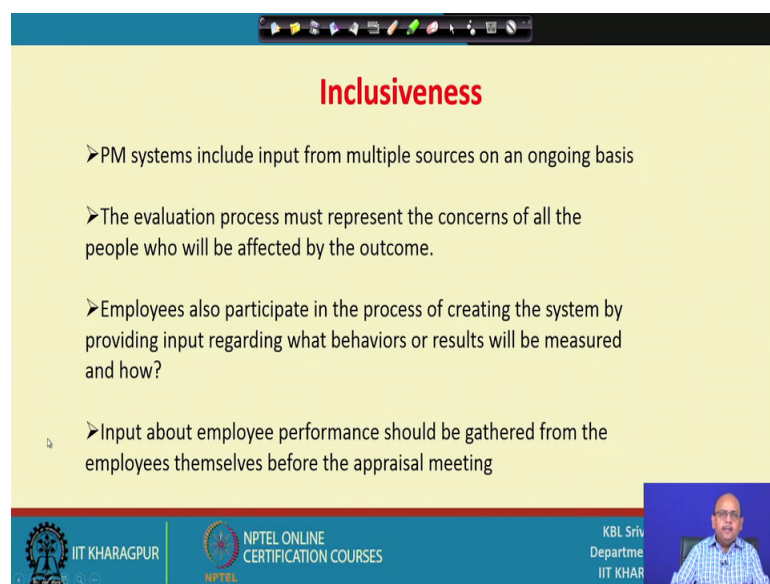
It has full accuracy, it is reliable, it is valid and it is considered to be feared by everyone

right. So, how do you know that the concept this system is going to be considered as fair? So, here we talked about justice it means fairness. Justice basically talks about your perception of fairness right. It means you are talking about that the system is fair now here we are talking about four different types of justice like first is distributive. Distributive is justice suggest that yes, you are going to evaluate and reward based on what the person has done, right.

So, it has to be proportion in your performance is linked with the reward. So, you are the distributing reward depending upon the performance. Similarly if you have adopt a process adapted a process which is fair enough right, which is reliable and valid right it means that you have gone for a standard process, it talks about procedural justice right. Third is interpersonal justice, it means that you need to ensure that design at the performance management system and the way it is being implemented, it is free of any kind of subjective biases.

So, there is no interpersonal factors which comes from the supervisor is affecting right. So, that he is free of all kind of biases and then information. It means it talks about communicating expectations and goals, providing feedback so that you are able to justify any decisions that you take based on the data on performance. So, that talks about informational justice. Now we have talked about that yes it has to be acceptable and fair and then it should be inclusive.

(Refer Slide Time: 27:52)



**Inclusiveness**

- PM systems include input from multiple sources on an ongoing basis
- The evaluation process must represent the concerns of all the people who will be affected by the outcome.
- Employees also participate in the process of creating the system by providing input regarding what behaviors or results will be measured and how?
- Input about employee performance should be gathered from the employees themselves before the appraisal meeting

IIT KHARAGPUR | NPTEL ONLINE CERTIFICATION COURSES | KBL Sriv Departme IIT KHAR

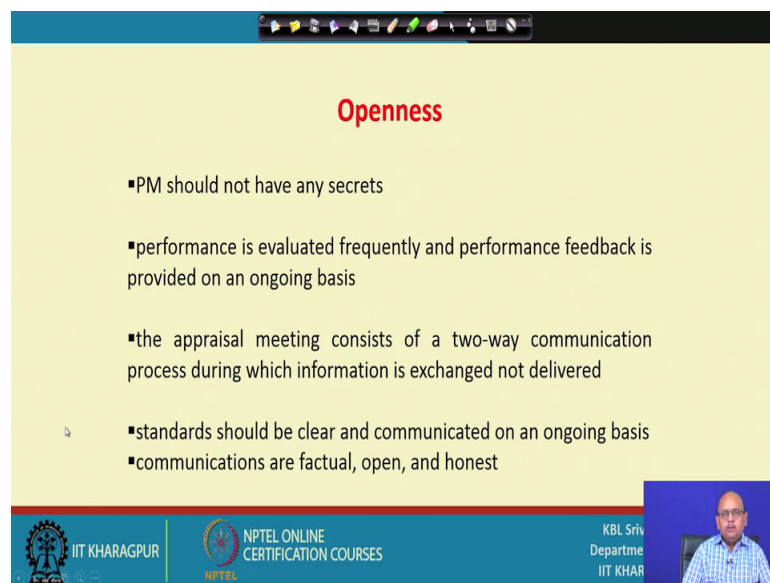


Inclusive in the sense that the data or the source of data for performance can be obtained from different sources; it could be coming from employees, it would be coming from the line managers, it could be coming from peers and then you have to get this data or input from on a continuous basis ok.

So, if you are going to include more stakeholders probably you are going to have better perception of the performance of the employees. So, everybody who is a party to the decision making process or who is involved in some way with the performance management system, those stakeholders you are going to be affected by the outcome of the performance management system should be made a party to the performance management process right. And here also you can include employees because employees are being evaluated based on their behavior results.

So, you need to ensure that the input is coming from different sources regarding their behaviors and also the results. Now another issue is that when you are going to collect data from different sources, you also include employee in the process what you know as self appraisal. So, you are if you are collecting data from different sources from all those stakeholders, who are a part of the process maybe supervisors, line managers, I mean the individuals then you are going to make this process more inclusive in the sense.

(Refer Slide Time: 29:24)



**Openness**

- PM should not have any secrets
- performance is evaluated frequently and performance feedback is provided on an ongoing basis
- the appraisal meeting consists of a two-way communication process during which information is exchanged not delivered
- standards should be clear and communicated on an ongoing basis
- communications are factual, open, and honest

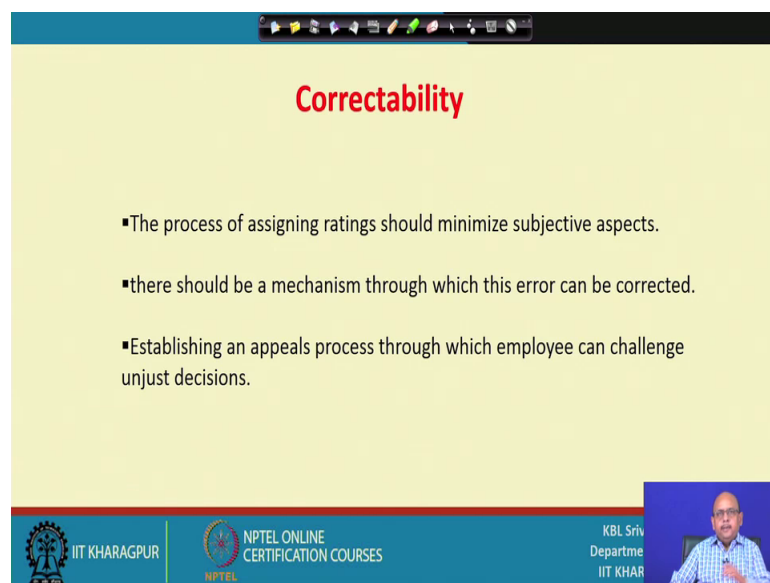
IIT KHARAGPUR | NPTEL ONLINE CERTIFICATION COURSES | KBL Sriv Department IIT KHAR

Then make sure that it is open. It means that there is nothing no (Refer Time: 29:30) agenda that is involved for be behind evaluating a performance management or having a

performance management system.

So, the idea here is that you are not going to have any kind of secrets. So, when you are evaluating performance on giving regular feedback to the employees, on a regular basis. So, that employee understand this is how I can go about it. And when you are having review meetings make sure that it is two way communications. You are not simply communicating the performance, but you are also listening to the employees, because that would help to you to analyze the performance right. And make sure that you are going to communicate your standards clearly on a regular basis, based on facts with honesty and an open mind. So, that the employees think that yes this performance management system is very very open, because there is no hidden secrets and he can rely upon that.

(Refer Slide Time: 30:22)



**Correctability**

- The process of assigning ratings should minimize subjective aspects.
- there should be a mechanism through which this error can be corrected.
- Establishing an appeals process through which employee can challenge unjust decisions.

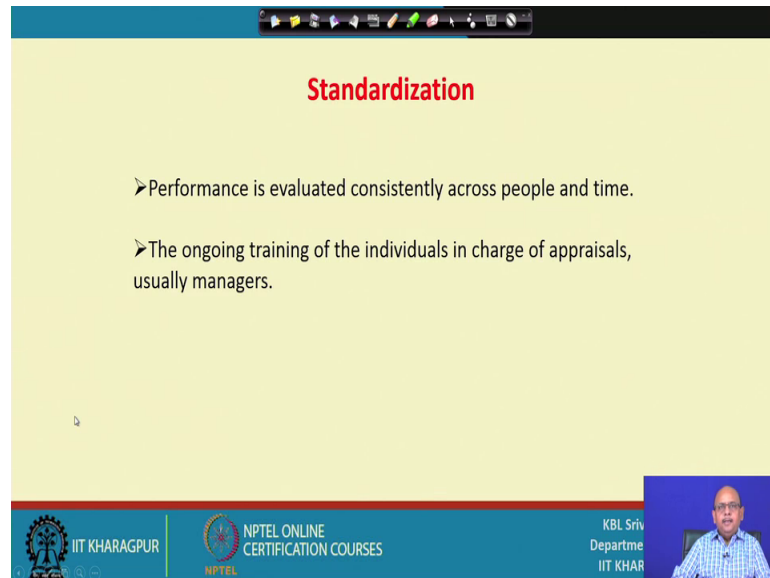
IIT KHARAGPUR | NPTEL ONLINE CERTIFICATION COURSES | KBL Sriv, Departme, IIT KHAR

Another issue related to correctability, which talks about when you are going to assign ratings make sure that these subjectivity does not crop in the system. So, make sure that these kind of things does do not copy you, and then you develop a mechanism. It means you make sure that it is adaptable to the changes that is happening, and if you have made incorrect evaluations, then there is process based on feedback, where you can go for changing the decisions related to the performance.

So, if there is a if the people find that this process is not fair, justified is not been made, it means the system is not accurate and fair enough, and their perception is not good you

are able to make certain changes depending upon the requirement right. So, you the process of correctability is also important.

(Refer Slide Time: 31:12)



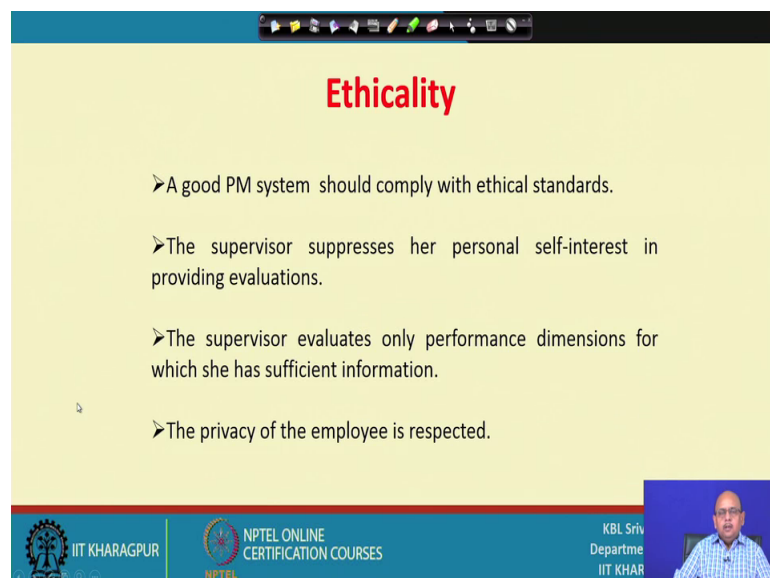
**Standardization**

- Performance is evaluated consistently across people and time.
- The ongoing training of the individuals in charge of appraisals, usually managers.

IIT KHARAGPUR | NPTEL ONLINE CERTIFICATION COURSES | KBL Sriv, Departme, IIT KHAR

Then this point we have already talked about related to sterilization. It means you are going to evaluate consistently across people and time, and make sure that those who are evaluating they are trained especially managers and how to evaluate, so that they can follow a standard process to administer and evaluate performance management systems right.

(Refer Slide Time: 31:37)



**Ethicality**

- A good PM system should comply with ethical standards.
- The supervisor suppresses her personal self-interest in providing evaluations.
- The supervisor evaluates only performance dimensions for which she has sufficient information.
- The privacy of the employee is respected.

IIT KHARAGPUR | NPTEL ONLINE CERTIFICATION COURSES | KBL Sriv, Departme, IIT KHAR

Then this is very very important. Make sure that you follow certain code of ethics when it comes to evaluation make sure that supervisors or line managers are not going to evaluate based on their own perception or their interest.

Because he may like someone, so, he might give better ratings and it is not like. So, he may not to give good ratings. And they are going to measure only performance related issues nothing else. Not both under the control or not beyond the control of the employees are those things which are not related to that. So, make sure that evolution is made for those which is important, and then you are not going to disclose this information to any third party or any other individual, who are in the process. So, ethicality has to be followed. So, the class of confidential it is very very important because you need to ensure that it is done properly ok.

(Refer Slide Time: 32:31)

**INTEGRATION WITH OTHER HUMAN RESOURCES  
AND DEVELOPMENT ACTIVITIES**

PM provides information for:

- Development of training to meet organizational needs.
- Workforce planning.
- Recruitment and hiring decisions.
- Development of compensation systems.

IIT KHARAGPUR | NPTEL ONLINE CERTIFICATION COURSES | KBL Srivastava, Department of IIT KHAR

Now, finally, you have to ensure that any performance management system is integrated with any HR under development activities. So, once you have a good performance management system what does happen? You can see how people are performing, what is their level of performance, what are the standards that is to be met by them right.

So, based on this you are able to identify the strength and weaknesses. So, you can propose training program for them. You can looking at the performance standard of the people you can also identify the; your man power requirement, because these performance standards and dimensions can also be used as a standard for recruiting

people from for the organization. And since performance is to be linked with the reward, you can develop a compensates in system which takes care of the performance very well ok.

So, other HR activities related to manpower planning, training, recruitment and compensation is also linked with this kind of things. So, in this lecture probably we talked about the various characteristics of the performance management system, which will make it more effective.

Thank you very much.