Book Review

PERFORMANCE MANAGEMENT: A ROADMAP FOR DEVELOPING, IMPLEMENTING AND EVALUATING PERFORMANCE MANAGEMENT SYSTEMS

Author: Elaine D. Pulakos
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Performance Management: A roadmap for developing, implementing and evaluating performance management systems, the main purpose of this booklet is to provide human resource (HR) professionals with useful guidelines for developing and implementing effective performance management systems. In spite of the difficulties, performance management is an essential tool for high performing organizations. The main objective of this book is how to improve the performance management system within the organization. The improvement of performance by employees towards their jobs through the improvement in management systems is the prime objective of this book.

Elaine D. Pulakos points out that performance management is the back-bone of Human resource management in spite this effectiveness incorporating many flaws which is becoming the cause of poorly designed performance management systems in many organizations. The keenly identified issues behind poor performance appraisals is saturated with manager and employee reservations in providing honest feedback, accompanied by fear of damaging interpersonal relationships and, on other hand, being the nature of performance management systems intensively bureaucratic and time consuming, make employees prone towards thinking of the system as ineffective in terms of developing their skills.

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The purpose of this book is to provide effective guidelines to improve instrumental performance management within the system inside the organization by elaborating different phases of the rating cycle which is intricate to the theme of appropriate implementation.

The initial part of book identifies the stages involved in the rating cycle, consisting of performance planning in which identification of employee expectations in terms of achieving their targets in the upcoming rating cycle should be the primary tool for meeting organizational goals, along with the assessment of employees in relation to team working and mentoring behaviors.

Further, the book discusses the stages of result expectations, which, according to author, should be associated with the goal setting process where employees development needs should be aligned with organizational goals and indication of employees commitment, attainment, participation, and motivation, as well as feedback are primary tools to reach expected results collected under the umbrella of a performance management system.

Next in the cycle comes on-going feedback and to make it effective, two-way, candid and constructive communications between employees and managers is the single most important key needed to achieve optimum and viable results from the performance management system.

Next, in the sequence of book, moving ahead within the cycle, employees input and evaluating behavior are key components of the rating cycle. Talking about employees input, the author pointed out a defect in the system which happens when self-rating appraisals somehow mismatch with the expectations and ratings of managers and resultantly become the cause of disharmony in the relationship between the employee and manager. The solution to this potential problem given by the book is to collect employees input regarding their meritorious accomplishments at the end of rating period.

Evaluating behavior is another theme of the cycle which are often stimulated in the organization by using KSA and competency models where the competencies required by the organization are evaluated with the help of interviews, job analysis techniques, focus groups, and surveys.

The book also offers some questions that what would be appropriate to ask in order to collect performance evaluation information and it identifies sources of information which would be affected and instrumental in decision-making as well as in the development of employees. There are different sources through which information for evaluation can be obtained, they include managers, peers, direct reports, or customers and this type of rating is often called “360 - degree feedback.” In this regard, the most important ingredient is not only feedback received from different sources but also careful rectification, management, and control of feedback regarding performance evaluation is a dominant feature in the process of performance evaluation. The most appropriate way suggested by book is the collection of feedback from different rating sources and after that rating of at least three raters from each rating source should be
averaged and reported to employees. After adopting stimulating fair performance evaluation process, the book suggests various advantages of reviewing performance evaluations from different sources.

The most important advantage is accurate feedback as it is collected from anonymous individuals who could not directly fall into the category of being biased and more importantly this method can produce a thorough framework and include the different personality dimensions of employees and behaviors with which they interacted with various persons in the organization. For instance a feature of multiple raters in performance management is that, managers could also perform out of the specified role of “sole judge” or “evaluator “and could perform their task as a supporter or helper in a performance evaluation of employees but on other hand if the purpose is decision-making, at that time managers are required to act as “gatekeepers” and their role demands collecting information from credible sources and integrating, judging and balancing that information against other available information which is the recommended step for managers according to the book. The next concept discussed in the book is the performance review which as suggested by book, should be a recap of what has occurred throughout the evaluation period. Apart from this, various strategies of developing of employees are targeted, developing strategies not only gauge involvement of employees in organizational development but also various further development needs of the organization can be visualized and as a result those performance standards that are still pending or could not be met according to standards previously set can be identified as development areas and after checking all areas discussed above, the next stage involves incursion of steps which are necessary in the advancement for the next level of performance, if previously all flaws are rectified in the performance management system. The purpose of a performance review as discussed in the book is to facilitate the decision-making process regarding pay, promotion, and other administrative actions and most importantly meeting the developmental needs of employees. To meet these needs, managers need to devise appropriate performance management tools which can rightly guide them to train employees according to their particular needs instead of prescribing formal classroom trainings or distance learning and for doing this through developmental hand books or other developmental resources targeted to each employee’s competency is advised by book.

Performance management tools and processes are essential requirements for an effective performance system but its implementation is the most challenging element. The book discusses the various user friendly value added methods for the implementation of a performance management system. This includes “Ensuring alignment with other HR systems” it guides us to ensure that the same competency measures should be adopted while evaluating performance management which were kept in mind during recruitment, staffing, and training of employees, hence consistency across all HR functions. The
other element is “to get organizational members on board” because to devise an effective performance management system, a committed CEO with clear expectations and effective executive team is a dire need, and one who can follow all the parameters of the performance management system by themselves.

Strategies involved indulging managers and employees in the performance management system are also discussed in the book. It represents a framework in which a design team for the performance management system should consist of individuals who represent key constituencies in the organization and as well as also including HR representatives or consultants who are trained in infusing the true essence of effective practices within HR among its users. The major functions performed by the design team for the performance management system should be carried out according to the book by being able “to provide input to the representatives of their constituencies” which then notify the design team which is searching out the requirements or preferences of the organization by having strong linkages with managers and employees of the company and after that various recommendations and decisions could be made on the basis of these observations. The other task of the design team is “to disseminate information about the system”.

Another dimension which the design team needs to serve is “to serve as a champion to get others on board” this section is accompanied by addressing employees about different changes and their affects, benefits, and obstacles occurring during implementation of the performance management system. One other duty of the design team is “to involve others in contributing to and trying out the system”. Yet another function performed by the design team is the communication process and in this, their key responsibility is to inform people about the advantages and rationales for the new system. This includes welcoming and considering opinions and comments from the respondents to support a comprehensive performance management process. In the book the first step is “automation” which involves functionally capturing performance ratings, creating information files, routing documents between managers and employees, providing real time training and feedback, analyzing relationships between performance appraisal information and outcomes such as pay and promotion, providing development suggestions, and facilitating HR decision making. Another significant therapy to ensure successful implementation is pilot testing which provides opportunity for the design team so they can capture reactions of respondents to the implementation phase of the new performance management system and finally could propose alternatives and adjustments to facilitate wide implementation of the new performance management system throughout the organization. Next in the list comes, training of employers and managers in order to facilitate adoption of the system efficiently. In this context, the number of training programs can be arranged depending on the resources of organization. Another innovative aspect discussed in the book is the presence of a “hotline” for the
purpose of performance management where managers and employees mutually exchange ideas and could raise questions about the performance management process. Web-based training is another option prescribed by the book where training about performance management can be given on the web in the form of practice exercises.

To evaluate and improve the performance management system, various techniques and skills are also discussed in the book which include “track completion of training”. It verifies that before the implementation of a new system, prior training about the new system needs to reach users. Another method is to “track completion of performance management activities” which involves the process of submitting copies of performance management documents to the HR department from which evaluation of each employee could be done by HR managers. Thirdly, comes the Management Review in which it is ensured that ratings received from different sources are free from biases. In doing this, supervisors are instructed to conduct meetings with managers so they can discuss ratings of all employees with each other and could then decide on final ranking orders for decision-making purposes. Then comes the aspect of “tracking alignment with other HR decisions” which ensures that people who receive good evaluations should be compensated with higher pay, rewards, or promotions in comparison to others in the organization. After this, the process of gathering feedback from user is addressed in the book and in this regard, surveys and focus groups are recommended, to collect user reactions to the process of the performance management system.

Critical Analysis

Elaine D. Pulakos has written the book so beautifully and fosters the organization to know about the importance of Performance Management System for their organization. He has also discussed the importance of positive relationships between managers and employees which is helpful to enhance their job performance to fulfill their organizational responsibilities. But, there is very little text available to enhance the job performance of the employees and to know about those variables or factors which will be important to reduce the stress level of employees in the workplace.

Following limitations have been observed during the reading of this book:

1. Mostly the issue has been discussed from the perspective of the authorities like higher management people (managers), who are directly or indirectly involved or associated with the employee appraisal and development system.

2. The author has discussed how to improve the relations between the manager and employee but employee satisfaction towards his job has been neglected.

3. It looked as if the book data has been collected through practitioners and journal literature.