ABSTRACT
All organizations, whether public or private, are attempting to achieve goals and objectives. It does not matter whether the objectives are return-on capital, market share, and social well-being. Organization must have competent employees who can perform the necessary tasks to accomplish these objectives. There is probably no programme in the field of human resources management that is so difficult to implement and yet so vital to individual and organizational development than performance management aimed at achieving these objectives. In all organizations, effective results are crucial to survival. Since continuous improvement of performance is a basic condition for individual and organizational growth and development, individual employee's performance needs to be evaluated against established objectives. By appraising individual’s performance, areas of relative strength can be identified and reinforced while areas of weakness can be addressed in a manner that is conducive to better performance. Using secondary source of data, the paper concludes that performance management technique becomes more effective when used for specific purpose. In view of this development, the study recommends separate assessment technique for different purpose in place of the current multi-purpose performance management system.

INTRODUCTION
Organizational performance management is one of the most popular terms in today's public sector management. The idea of managing organizational performance is being widely accepted and adopted all over the world. It spreads rapidly from the private sector to the public sector in the developed world and has recently found its way in many developing countries including Nigeria. New initiatives and legislations continue to be issued as a sign of governments' insistence on following the new focus on performance orientation. Performance management is a shared process between managers, individuals and teams they manage. It is based on the principle of management by contract rather than command, although this does not exclude the need to incorporate high performance expectations in such contracts.

As rightly observed by Armstrong and Baron (2004), performance management is all about the agreement of objectives, knowledge, skill and competence requirements and work and development plans. In fact, a performance management system aims at improving the results of people's efforts by linking these to the
organization's goals and objectives. It is, ideally, the means through which employees' performance can be improved by ensuring appropriate recognition and reward for their efforts, and by improving communication, learning and working arrangements. Performance management and measurement systems developed as a means of monitoring and maintaining organizational control, which is the process of ensuring that an organization pursues action plans that lead to the achievement of overall goals and objectives. These goals should in turn be direct manifestation of the mission and strategic orientation of an organization.

Furthermore, in today’s flexible organizations, performance management provides an important tool for managers to clarify performance goals and standards and to enhance future individual performance. Probably the oldest technique used by managers to influence individual performance is the performance management otherwise known as job performance appraisal. Performance management effects positive change in organizational culture, systems and processes by helping to set agreed-upon performance goals, allocating and prioritizing resources, informing managers to either confirm or change current policy or programme directions to meet those goals, and sharing results of performance in pursuing those goals.

Many performance management systems borrow from or utilize some of the new approaches such as "Balanced Scorecard", "Total Quality Management (TQM), best practice "Benchmarking", or Business Process Re-engineering (BRP). Performance Measurement must be considered as part of the overall Performance management system and can be viewed as the process of quantifying the efficiency and effectiveness of actions. It is common practice in public sector performance management literature to talk about the three Es of: Economy, Efficiency, and Effectiveness. A good performance measurement approach should consider measuring and assessing the three Es.

From the above analysis therefore, the current thinking on the subject of performance management calls for a re-examination of what human resources management in each organization is expected to achieve. Accordingly, individual performance appraisal and its management are expected to be strongly linked with institutional objectives. This line of thinking appears to accord with sound management practice. In this regard therefore, this research work is an attempt to examine the subject of performance management and its impact on the performance, with a view to suggesting how it may be better utilized for focusing human resource management in direction of higher performance in organizations.

**Statement of the Problem**

The public sector in Nigeria has suffered setbacks which are largely attributed to ineffective and inefficient management. Performance management is a tool which focuses on managing the individual and work environment in such a manner that an individual/team can achieve set organizational goals. The problem this study is concerned with is to establish the relationship between performance management and organisational performance in the public sector. The problem of appraising performance, the dichotomy as to wither performance management principle can be practice in public sector rather in Private sector, inadequacy of team-based management, job designs, flexible workforce, quality improvement practices, good reward system, large scales inadequacies in planning formulation and implementation, employee empowerment and inadequacies of customer focus, low level of output and inability of the organisation to progressively increase their value thereby leading to ineffectiveness.

**Objectives of the Study**

The objectives of this study include the following:

i. To examine the basis for performance management in organizations and the techniques of evaluating employees' performance;
ii. To examine the significant relationship between performance management and the attainment of organizational goals and objectives;
iii. To highlight the benefits derivable from the implementation of performance management system;
iv. To suggest strategies for improving organizational productivity through effective performance management techniques in the organisations.
Research Methodology
In order to accomplish the goals of this research, we adopted secondary data/content analysis. The secondary sources include; published and unpublished works, books, journals, newspapers, workshops, public lectures, and information from newspapers, periodicals, magazines etc.

Theoretical Framework
The concept of performance management is theoretically underpinned on the theory of motivation. There are several motivational theories in the literature: Maslow's needs hierarchy theory, Herzberg's two-factors theory, expectancy theory, path goal theory,McClelland's needs achievement theory, etc. (Bateman and Zeithaml, 1993; Inyang, 2008b; Kreitner, 1998). Of all these theories the path goal theory fits the performance management best. This is because performance standards are antecedent situations in the employee's work environment. Goals are performance levels which individuals and organizations have agreed upon as performance standards.

Path-goal setting studies have their roots in organizational psychology. In their path-goal theory of motivation, Locke and Latham (1990) stated that, given goal commitment, a specific challenging goal leads to higher task performance than a vague goal, such as "do your best.” This assertion has been supported in over 500 empirical studies. A number of variables have been shown to moderate the relationship between goal difficulty and performance. These include, but are not limited to, ability, feedback, task complexity, and situational constraints (Locke & Latham, 1990).

Philosophically, the path-goal theory is based on the assumption that people have conscious goals that energized them and direct their thought and behavior toward one end (Bateman and Zeithaml, 1993). A key ingredient for effectively managing employees is the prudent use of goal setting. The prime axiom of goal setting theory is that specific, difficult goals lead to higher performance than when people strive to simply "do their best" (Locke, 1966, Locke & Latham, 1990). The performance benefits of challenging, specific goals have been demonstrated in hundreds of laboratory and field studies (Locke & Latham, 1990, 2002). Such goals positively affect the performance of individuals, groups, organizational units (Rogers & Hunter, 1991), as well as entire organizations and over periods as long as 25 years (Locke & Latham 2002).

By providing direction and a standard against which progress can be monitored, challenging goals can enable people to guide and refine their performance. It is well documented in the scholarly literature that specific goals can boost motivation and performance by leading people to focus their attention on specific objectives (Locke & Bryant, 1969), increase their effort to achieve these objectives, persist in the face of setbacks, and develop new strategies to better deal with complex challenges to goal attainment.

Through such motivational processes, challenging goals often lead to valuable rewards such as recognition, promotions, and or increases in income from one's work (Latham & Locke, 2002). Working to attain valued goals relieves boredom by imbuing work with a greater sense of purpose. Even though setting high goals sets the bar higher to obtain self-satisfaction, attaining goals creates a heightened sense of efficacy (personal effectiveness), self-satisfaction, positive effect, and sense of well-being - especially when the goals conquered were considered challenging. By providing self-satisfaction, achieving goals often also increases organizational commitment, which in turn positively affects organizational citizenship behavior, negatively affects turnover, and increases the strength of the relationship between difficult goals and performance (Locke & Latham, 1990, 2002).

Setting a high performance goal is effective only when people already have the ability to perform a particular task effectively. On a task that requires learning, a specific challenging learning goal should be set.

Specific challenging goals do not, however, necessarily lead to such desirable personal and organizational outcomes. Rather, the results from goal setting depend critically on issues pertaining to goal commitment, goal importance, task complexity, goal framing, team goals, Self-Efficacy and feedback. Lessons from researchers in goal setting theory show that properly conceived goals trigger a motivational process that improves performance. Goals motivate by directing employee's attention, encouraging effort,
encouraging persistence and fostering goal attainment strategies and action plan. For there to be a performance measurement, there must first be a goal setting.

The goal setting theory is significant in that individuals in the performance goal condition did not outperform those in the do-your-best condition would have been astonishing were this a standard goal setting experiment. This finding would be contrary to over a quarter of a century of evidence in the motivation literature that has shown that people who work toward specific, difficult goals outperform those instructed to do their best (Locke & Latham, 2002).

Setting a specific and difficult learning goal was, instead, associated with higher performance. Thus, taken together, these studies suggest that goal setting is a theory of ability as well as a theory of motivation.

The theoretical significance of this theory with regard to goal orientation is that it provides additional evidence that a person’s goal orientation is a stable individual difference variable that affects performance.

Various experiments undertaken have practical significance for goal setting research. Data show that a specific, challenging learning goal, like a performance goal, is a “strong” variable. A person’s goal orientation affects subsequent performance in a “weak” setting— that is, when the goal is vague rather than specific and challenging. Specific, high goals communicate cogently to individuals the level of performance or learning that is expected in a given situation.

Goal-setting theory has its limitations. In an organization, a goal of a manager may not align with the goals of the organization as a whole. In such cases, the goals of an individual may come into direct conflict with the employing organization. Without aligning goals between the organization and the individual, performance may suffer. Moreover, for complex tasks, goal-setting may actual impair performance. In these situations, an individual may become preoccupied with meeting the goals, rather than performing tasks.

Some people feel that one possible drawback of goal setting is that implicit learning may be inhibited. This is because goal setting may encourage simple focus on an outcome without openness to exploration, understanding or growth. Goal-setting may have little effect if individuals cannot check where the state of their performance is in relation to their goal. It is important for people to know where they stand in relation to achieving their goals, so they can determine the desirability of working harder or of changing their methods.

**LITERATURE REVIEW**

**The Concept of Performance Management**

Employee performance management is a process for establishing a shared workforce understanding about what is to be achieved at an organisation level. It is about aligning the organisational objectives with the employees’ agreed measures, skills, competency requirements, development plans and the delivery of results. The emphasis is on improvement, learning and development in order to achieve the overall business strategy and to create a high performance workforce. Performance management is the systematic process by which an organisation involves its employees, as individuals and members of a group, in improving organizational effectiveness in the accomplishment of organisational mission and goals. The concept of performance management was first used by Byers and Rue in 1978 and was popularized in the mid 1980s (Akata, 2003). Armstrong and Baron (2003) and Armstrong (2004) describe performance management "as a strategic and integrated approach to delivering sustained success to organisations by improving the performance of the people who work in them and by developing the capability of teams and individual contributors.” Akata (2003) considers it as “a systematic and holistic (all-embracing) process of work planning, monitoring and measurement aimed at continuously improving the teams and individual employee's contribution to achievement of organizational goals”. Oladimeji (1999) defines performance management as "a means of getting better results from the organization, teams and individuals by understanding and managing performance within agreed framework of planned goals, objectives and standards”.

The three definitions show that performance management has the following characteristics; strategic
Performance management is a key human resources function that is integrated with the entire systems in the organisation which is closely tied to compensation, training, and career planning. It has been one of the most important and positive developments in the sphere of management in recent years. It began to take shape in the later 1980s, growing out of the realization that a more continuous and integrated approach was needed to manage and reward performance. And only by effectively managing and evaluating the systems of the organisation can the overall performance be improved. It includes activities to ensure that goals of the organisation are consistently being met in an effective and efficient manner.

According to Gillen (2007), performance management focuses on performance of the organisation, a department; processes to build a product or service, and employees. He posits further that performance management can be viewed as the systematic evaluation of employees with respect to their current performance on the job as well as their potential for future development. Such evaluation if well conducted enables management to obtain feedbacks information about the effectiveness of organizational processes, including the performance of employees. Performance management means getting better results from the organization, teams and individuals by understanding and evaluating performance within an agreed framework of planned goals, standards and competence requirements. He further viewed it as a process for establishing shared understanding about what is to be achieved, and an approach to managing and developing people in a way which increases the probability that it will be achieved in the short and long term which is owned and driven by line management.

From Atiomo (2000), performance management is “a system which provides organizations with a means of identifying not only what people’s performance levels are but in which areas those levels need to be improved if maximum use is to be made of human resources”. He believed that, the system ensures that every individual is clearly aware of what his functions and responsibilities are. According to him, the process of evaluation lets each staff know how he is viewed by his boss, what have been the significant achievements in the period under review, how his performance might be improved in the future, and if areas of relative weakness are identified, what training or development might be put in hand to strengthen them. Evaluating performance therefore provides the tools to determine the strengths and weaknesses of our subordinates. It is the essential information on which action for continued services in the same job, training promotion, transfer or redeployment should be based. He posits further that performance management guidance relates to the management of employee performance in terms of planning, developing, monitoring, rating and rewarding employee contributions rather than performance-based or performance-oriented approaches to managing, measuring, and accounting for agency programme performance. While these concepts can and should be linked and integrated, they remain distinct in some respects, particularly with regard to establishing individual accountability and dealing with poor performers.

One of the most comprehensive definitions of the subject matter is that given by the US office of Personnel Management viz,

All periodic written assessment of job performance measure against responsibilities, goals and/or tasks, specific duties assigned and agreed to as well as identification of strengths and weakness demonstrated by employee’s potential and training and development needs.
The merit of this definition is that, it sees management of employees’ performance as a regular and continuous process by which the quality, quantity and styles of performance and the various factors that influence performance are assessed and evaluated. It also involves an evaluation of the growth potential of an employee, with a view to providing organizations with information that not only leads to positive actions that also ensures that individuals are provided with necessary feedback for performance improvements, personnel growth and job satisfaction.

Cole (2004) submits that the expression performance management usually relates to the assessment of staff or management performance and not to that of manual workers. He went further to categorize the concept into two main categories viz:

(i) Informal performance management
(ii) Formal performance management

According to him, informal performance management is the continuing assessment of an individual’s performance by his superior officer in the normal course of work. This kind of assessment is an ad hoc nature and is as much determined by intuitive feelings as by factorial evidence of results. It is a natural by-product of the day-to-day relationship between manager and subordinate. While on the other hand, formal performance management is altogether more rational and orderly than informal management, which means an assessment of employee’s performance in some systematic and planned way. This is a task requiring a quality of managerial judgment, which places a considerable responsibility on the managers involved. It is a task that is delicate as well as complex.

In their definitive text upon which this research is based, Armstrong and Baron (2003) define performance management as

A process which contributes to the effective management of individuals and teams in order to achieve high levels of organisational performance. As such, it establishes shared understanding about what is to be achieved and an approach to leading and developing people which will ensure that it is achieved.

They stressed that it is ‘a strategy which relates to every activity of the organisation set in the context of its human resource policies, culture, style and communications systems. The nature of the strategy depends on the organisational context and can vary from organisation to organisation. In other words performance management should be:

Strategic - it is about broader issues and longer-term goals
Integrated - it should link various aspects of the organisation, people management, individuals and teams.

According to them, performance management should incorporate:

1. **Performance improvement** - throughout the organisation, for individual, team and organisational effectiveness
2. **Development** - unless there is continuous development of individuals and teams, performance will not improve
3. **Managing behaviour** - ensuring that individuals are encouraged to behave in a way that allows and fosters better working relationships.

Armstrong and Baron (2003) further stressed that at its best, performance management is a tool to ensure that managers manage effectively; that they ensure the people or teams they manage:

i. know and understand what is expected of them;
ii. have the skills and ability to deliver on these expectations;
iii. are supported by the organisation to develop the capacity to meet these expectations are given feedback on their performance;
iv. have the opportunity to discuss and contribute to individual and team aims and objectives.

Houldsworth and Jirasinghe (2006) also argued that performance management is about ensuring that managers themselves are aware of the impact of their own behaviour on the people they manage and are encouraged to identify and exhibit positive behaviours. Performance management is about establishing a culture in which individuals and groups take responsibility for the continuous improvement of business processes and of their own skills, behaviour and contributions. It is about sharing expectations. Managers can clarify what they
expect individual and teams to do; likewise individuals and teams can communicate their expectations of how they should be managed and what they need to do their jobs. It follows that performance management is about interrelationships and about improving the quality of relationships - between managers and individuals, between managers and teams, between members of teams and so on, and is therefore a joint process. It is also about planning - defining expectations expressed as objectives and in business plans - and about measurement; the old dictum is 'If you can't measure it, you can't manage it'. It should apply to all employees, not just managers, and to teams as much as individuals. It is a continuous process, not a one-off event and lastly, it is holistic and should pervade every aspect of running an organisation.

To Cascilo (1978), performance management is the “systematic description of individual job relevance, strengths and weaknesses. Such information is useful in a variety of context, as a basis for personal decisions, as an aid in establishing training objectives and as a personnel development tool”. Schular (1984), in providing a more elaborate definition of performance management, describes it as a “formally structured system of measuring and evaluating an employee job related behaviour and outcome to discover how and why the employee is presently performing on the job and how the employee can perform more effectively in the future so that the employee, the organization and society benefit”. performance management is not limited to one-on-one situation where a superior discusses with an employer areas deserving recognition and areas where improvement is needed. A performance management is any decision that affects the status of employee regarding their retention, termination, promotion, demotion, salary increment, or reduction or admission with training programmes.

According to Henneman (1983) performance management is to let employees know how they stand relative to performance objectives and expectations of the organization. Here the manager uses the result of the performance assessment to provide feedback to employees. In part, this feedback is designed to satisfy what some managers believed are subordinates' right to know how they stand with the organisations. Specifically, feedback is assumed to encourage self-development and productivity since accurate feedback provides information about the job activities that need to be performed better. Beach in his own contribution sees performance management "as the systematic evaluation of the individual with respect to his performance on the job in his potential for development". The major consideration in these definitions of performance management is that it should be systematic and closely related to the assessments of an employee's job performance. This point of view is divergence from others who looked at how an employee's job-related behaviour can be improved to meet higher responsibilities in the future. They see personality factors in designing any performance management system as paramount.

**Purpose and Functions of Performance Management**

The term performance management is commonly used today to describe a range of managerial activities designed to monitor, measure and adjust aspects of individual and organisational performance through management controls of various types. Performance management integrates the management of organisational performance with the management of individual performance. Organisational performance management can serve two distinct functions:

**Intra-organisational performance management:** To ensure that there are appropriate internal controls to monitor the extent to which the organisation (and its sub-units) is achieving what it is supposed to achieve. This requires the organisational management to periodically review and evaluate performance standards attained and performance trajectories, taking corrective action as appropriate where deviations from the desired standards are detected.

**Extra-organisational performance management:** To communicate performance for the purposes of governance and accountability to organisational stakeholders including government, funding bodies, audit agencies and the wider public.

There is no requirement for an organisation to have an intra-organisational performance management system. However, there is clear evidence that having clarity of purpose and the means to monitor progress towards goal attainment does promote a performance culture in organisations (public and private) which achieves enhanced organisational performance levels. There are requirements, often statutory, for public sector organisations to maintain high standards of corporate governance, accountability and public reporting. This requires systems of extra-organisational performance management.
Moreover, Schular (1984) argued that performance management is of strategic importance to organisations because a well designed performance management format serves as a contract between the employees and the organisations. This contract, be added, helps as a control and evaluation system that enables performance management to better serve a multitude of purposes. These purposes include employees' development, manpower planning, identification of potential and training needs and organizational development through Job/Position design and redesign. These contributions however, warned that for an evaluation system to fulfill the all importation role of employees' development and productivity, it must be systematic and provide a forum for employees to contribute toward their career growth interests.

A summary of the foregoing contributions on the purpose of performance management highlights the following as the major functions of performance management:

i. To provide information for Personnel decisions pertaining to reward, punishment and training,
ii. It is useful as criteria for personnel Investigation,
iii. It serves as a measure of value and
iv. Most importantly, a tool for employees' development to attain productivity, since it serves as Feedback Mechanism
v. To improve future performance, an employee needs information relating to his weaknesses in the past and clues on how to correct them.

The overall goal of performance management is to ensure that the organization and all of its subsystems (processes, departments, teams, employees, etc.) are working together in an optimum fashion to achieve the results desired by the organization. According to Akindele (2007), performance management exists for two main reasons; evaluation and feedback. When used for evaluations, it provides input for decisions on promotions, transfers, demotions, terminations, and compensation. When used for feedback purposes, performance management focuses on the development of the individual employee, including the identification of coaching and training needs. According to him, job analysis process determines standards of performance, which are clearly communicated to the employees and used as the basis of evaluation in the performance management process. Performance management is a critical component of reinforcing appropriate behaviours within the organisation and of helping employees understands how to avoid inappropriate behaviours. It also enables the organisation to provide feedbacks to employees concerning their work and to identify areas of improvement (Akindele, 2007).

From the above, performance management is an agreed framework of planned goals, standards and attribute/competence requirements. That is, it is an agreement between the manager and the individual on expectations in relation to each of the following which is largely about evaluating such expectations.

A process: Performance management is not just a system of forms and procedures. It is about the actions which people take to achieve the day-to-day delivery of results and evaluate performance improvements in themselves and others.

Shared Understanding: to improve job performance, individuals need to have a shared understanding about what high levels of performance and competence look like and what they are working towards.

An Approach to Managing and Developing People: Performance management is focused on three things. First, how employees and team leaders work effectively with those around them. Second, how individuals work with their managers and with their teams and third, how individual employees can be developed to improve their knowledge, skills and expertise (their attributes) and their levels of competence and performance.

Achievement: Ultimately, performance management is about the achievement of job-related success for individuals so that they can make the best use if their abilities, realize their potential and maximize their contribution to the success of the organization.

Owned and driven by line managers: That is, performance management is a natural process of management, not a procedure forced onto line managers by top management and the personnel department.
Contextually, on the other hand, performance management according to Obadiah (1992) is of three basic activities or functions which a manager must accomplish. These include: a manager must plan; a manager must execute; and a manager must review. He laid emphasis more on the last issue as it concerns the manager’s most important resource – people. Clearly, the last understood of the major management functions, staff performance review or evaluation, is almost the most important because in carrying out this function, a manager either seizes the opportunity to construct a management organization soundly conceived and carried out along practical social and motivational principles, or failing this, creates for himself a workforce with sagging morale. A realistic evaluation scheme is one mean of helping an organization and the individual managers within it to identify the performance level of people and the areas that need improving.

On the objective and purpose of performance management, Obadiah (1992) posits further that within the current public service particularly in Nigeria, performance management is done essentially for deciding employees’ pay and promotion. But modern management practice sees the purpose of performance management in a broader perspective. According to him, two major overlapping reasons for performance management exist which include:

i. To improve the management of staff resources by helping employees realize and fully utilize their potential while striving to achieve organisational goals; and,

ii. To provide managers the information necessary for decision-making in several areas of personnel management for instance, promotion, training and discipline.

A common approach to performance management involves five steps viz:

1. Define and communicate a future state of affairs that the organisation will attempt to achieve. This serves as the rationale for objectives and targets which stretch organisational capability.

2. Translate these aspirations into long and short-term objectives, output and outcome performance indicators and targets against which performance and progress can be measured.

3. Ownership must permeate the organisation structure and cascade through organisational levels with each level and each individual having responsibility for specific objectives and targets which, if realised, contribute to the attainment of key performance indicators and outcomes which the organisation is charged with achieving.

4. Acceptance by management and organisational members of their collective and individual accountability for performance attained is essential. Accountability for delivering against individual short and long-term targets, once clearly defined, allows for the operation of systematic and comprehensive performance monitoring, review and evaluation.

5. Reinforcing mechanisms must be in place, encompassing an appropriate set of positive and negative incentives (both organisational and individual) with positive consequences for success and negative consequences for under-performance against plan.

Employee performance management includes:

i. planning work and setting expectations,

ii. continually monitoring performance,

iii. developing the capacity to perform,

iv. periodically rating performance in a summary fashion, and rewarding good performance.

The responsibility for performance management rests with all managers for those managers directly responsible to them and assistant managers for those staff directly responsible to them. The evaluation requires an honest and courageous approach. However, how good an evaluation policy may be, it will not achieve its aims if the evaluation and subsequent interview are not carried out by each superior in an honest and courageous way. This also means that a superior who is responsible for subordinates who have to appraise others, should refuse to accept evaluation which are vague and non-committal. If he is not satisfied with it, he should insist on an improvement in the quality of the evaluation.

Benefits of Organizational Performance Management

Organizations, especially those in the public sector have in recent times come under pressure to justify their existence through satisfactory service to the customer or the public. Some have even had to face the prospects of extinction due to policies such as economic liberalization, deregulation and privatization as well as external factors such as globalization and the concomitant international and domestic competition. It has become increasingly clear that those organizations which do not reconcept their existence along lines of their mandates
by going back to the basics of their objectives as basis for redesigning its management system to achieve the objectives in an optimal, effective and cost effective manner faces liquidation.

A mix of performance management and productivity enhancement techniques provide the framework for directing and controlling the organization towards the chances of reaching such an optimal level of achievement of its goals so that it does not only keep itself afloat but is also kept on the path of continuous improvement in product services and financial viability.

If performance management is implemented correctly with specific objectives tied to the strategic and operational plan, organisational performance outcomes will likely increase very quickly. The process of Performance Management therefore drives organisational performance outcomes. Employees that achieve the organisational goals are rewarded with favourable reviews and bonuses in line with their performance and contribution to the organisation.

The following are the benefits derivable from implementing performance management system in organisations

**Communication Improves**
The employee and manager communicate more frequently and agree on changed objectives to suit continuing changes in conditions and priorities. This is an inclusive and collaborative process, which ensures that the employee has input and does not feel they have wasted the year. The employee works towards specific objectives that are relevant. If the organisation is using a Performance Management product that has a performance diary, both the manager and employee attend the review meeting with copies of their performance diary notes. This contains content from the performance period to be reviewed. Given that both have content, they feel much better prepared and stress is lower than if they were attending a meeting not aware of the subject matter.

Performance management improves the capability of a business. It provides three important values to the business. They are information delivery, performance oversight, and performance effectiveness. These values help to understand, manage and improve the business. Performance management system coordinates the performance of managers, staff, customers and suppliers within an integrated environment.

The basic elements of performance management are providing information and strategy planning. Performance management can provide the core decision makers direct access to required information. With a clear understanding of the facts of the business, informed decisions can be taken for boosting the performance. Performance oversight signifies an overall view of the business details. Performance management provides the required performance oversight to the management which helps in optimizing the business. Performance effectiveness helps business executives as well as decision makers to set clear goals and work towards achieving them. It assures the necessary performance effectiveness.

Corporate performance management system combines the management process in a single, interactive and collaborative work space. Scorecards and reports can improve finance, operations and workforce. Web based collaboration and distribution capabilities improve the communication process. Corporate performance management system can reduce planning, forecasting and reporting time through data capture and analysis. It integrates business strategies, business measures and business actions.

Organisational performance management provides accurate financial information about the day-to-day activities of people, equipment and process. It can develop comprehensive plans and customized reports. It helps the organization to maintain profitable inbound and outbound relationship with the customers. CPM can reduce problems associated with reporting financial and operational data.

Corporate performance management finds use in the pharmaceutical and health science sectors. It can be used for clinical performance management and product demand forecasting. In the financial sector, CPM is applied in mortgage banking, incurve claims and risk reporting. Corporate performance management is important in manufacturing areas. It is important in supply chain planning and manufacturing performance management.
CPM application is important in aerospace and defense management. Other important CPM areas are retail performance management, vendor management, police performance management and the public sector (: http://EzineArticles.com/expert Josh Riverside, 2009)

A survey from literature indicates the following benefits of PMS:

1. Performance management facilitates the implementation of business strategy by indicating what to measure, determining appropriate means of measuring, setting targets and linking the measure with organisational performance (Scheiner, Shaw & Beatty, 1991).
2. Performance management improves the organisational performance.
3. Improves processes within the organisation.
4. Improves employee performance
5. Improves team performance
6. Eases implementation of change in the organisational culture
7. Improves customer satisfaction
8. A competitive advantage is obtained
9. Improves quality of supervision

There are also strategic, administrative and developmental purposes of performance management in organisations. The strategic purpose of performance management is to link employee’s activities with achievement of the organization’s goals. Managers do this primarily by defining performance standards and types of behaviour that if achieved will help the organization reach its goals.

The administrative purpose of performance management is to provide information for making administrative decisions. These include granting pay increases and promotions, deciding whether to retain, terminate, or lay off employees and recognize superior performance. The developmental purpose of performance management primarily does this by providing employees with feedback about how managers view their work. Employees and managers together can find strength and weaknesses, look for causes and identify ways to correct problems and build on strengths.

Other Benefits of Performance Management
1. PM focuses on results, rather than behaviors and activities
A common misconception among supervisors is that behaviors and activities are the same as results. Thus, an employee may appear extremely busy, but not be contributing at all toward the goals of the organization. An example is the employee who manually reviews completion of every form and procedure, rather than supporting automation of the review. The supervisor may conclude the employee is very committed to the organization and works very hard, thus, deserving a very high performance rating.

2. Aligns organizational activities and processes to the goals of the organization
PM identifies organizational goals, results needed to achieve those goals, measures of effectiveness or efficiency (outcomes) toward the goals, and means (drivers) to achieve the goals. This chain of measurements is examined to ensure alignment with overall results of the organization.

3. Cultivates a system-wide, long-term view of the organization: Richard A. Swanson, in Performance Improvement Theory and Practice (Advances in Developing Human Resources, 1999), explains an effective performance improvement process must follow a systems-based approach while looking at outcomes and drivers. Otherwise, the effort produces a flawed picture. For example, laying off people will likely produce short-term profits. However, the organization may eventually experience reduced productivity, resulting in long-term profit loss.

4. Produces meaningful measurements: These measurements have a wide variety of useful applications. They are useful in benchmarking, or setting standards for comparison with best practices in other organizations. They provide consistent basis for comparison during internal change efforts. They indicate results during improvement efforts, such as employee training, management development, quality programs, etc. They help ensure equitable and fair treatment to employees based on performance.

Performance Management (PM) includes:

i. Depersonalizes issues: Supervisor’s focus on behaviors and results, rather than personalities.
ii. Validates expectations. In today's age of high expectations when organizations are striving to transform themselves and society, having measurable results can verify whether grand visions are realistic or not.

iii. Helps ensure equitable treatment of employees because appraisals are based on results.

iv. Optimizes operations in the organization because goals and results are more closely aligned.

v. Performance reviews are focused on contributions to the organizational goals, e.g., forms include the question "What organizational goal were contributed to and how?"

vi. Supports ongoing communication, feedback and dialogue about organizational goals. Also supports communication between employee and supervisor.

vii. Performance is seen as an ongoing process, rather than a one-time, snapshot event.

viii. Cultivates a systems perspective that is, focus on the relationships and exchanges between subsystems, e.g., departments, processes, teams and employees. Accordingly, personnel focus on patterns and themes in the organization, rather than specific events.

ix. Continuing focus and analysis on results helps to correct several myths, e.g., "learning means results", "job satisfaction produces productivity", etc.

x. Redirects attention from bottom-up approaches (e.g., doing job descriptions, performance reviews, etc., first and then "rolling up" results to the top of the organization) to top-down approaches (e.g., ensuring all subsystem goals and results are aligned first with the organization's overall goals and results).

xi. Produces specificity in commitments and resources, provides specificity for comparisons, direction and planning. Cultivates a change in perspective from activities to results.

Wikipedia free Encyclopedia highlights the following importance of performance management.

i. Increases management control over work and results.

ii. Increases management ability to identify or "red-flag" problems early.

iii. Links employee objectives and functions to overall organization objectives, thereby creating a sense of contribution for the employee.

iv. Motivates employees by allowing them input into and ownership of their objectives and standards of performance.

v. Enhances communication by ensuring there is clear understanding of management expectations about results.

vi. Supports remedial action or disciplinary action because a breach of standards can be defined objectively and in a measurable way.

vii. Provides a system where feedback can be given to employees on a more objective basis, and not on management's subjective criterion.

viii. Provides objective criterion that management can use to make decisions regarding pay scale, and promotion.

ix. Provides a centralized record of performance for each employee, usually kept in the personnel office.

Performance Management and Organisational Performance

Organizational performance management and measurement is one of the most popular terms in today's public sector management terminology. The idea of managing organizational performance is being widely accepted and adopted all over the world. It spread rapidly from the private sector to the public sector in the developed world and has recently found its way in many developing countries. New initiatives and legislations continue to be issued as a sign of governments' insistence on following the new focus on performance orientation.

A growing interest in the assessment and improvement of quality in public services became evident in these countries. Gradually, the quality dimension became an essential part of most if not all performance management systems. Interest in quality management approaches became evident within many public agencies towards the late 1980s. However the drive towards quality took off in earnest in the early 1990s after the publication of the UK's Citizen's Charter in 1991 and the United States' Reinventing Government in 1993. The Citizen's Charter is said to embody six key principles of public services, emphasizing the importance of standards, information and openness, choice and consultation, courtesy and helpfulness, putting things right, and value for money. The US's reinventing government is structured around many principles heavily related to performance management with a strong focus on quality of services. In both examples, measurement of performance is to be done by using a number of Performance Indicators (PIs) as external mechanisms that reflect each government's strategic choices
and sets of priorities as far as quality of services is concerned. There are other managerial roles for PIs besides giving strategic direction (public entities are held accountable as to whether they pursued these directions - strategic or policy accountability). Other roles include resource allocation (whether they allocated budgets in line with best available information - value-for-money accountability), exercising control (whether they spent these budgets in line with guidelines on probity and regularity - financial accountability), and encouraging learning (how their performance and achievement compares to that of other similar public entities, both locally and internationally - benchmarking accountability).

Performance is referred to as being about doing the work, as well as being about the results achieved. It can be defined as the outcomes of work because they provide the strongest linkage to the strategic goals of an organization, customer satisfaction and economic contributions. The term "Performance Management and Measurement" refers to any integrated, systematic approach to improving organizational performance to achieve strategic aims and promote an organization's mission and values. In that sense organizational performance management is quite different from individual performance management which specifically targets the personal performance of an employee although the latter comprises an essential part of the overall organizational performance framework. In fact, a performance management system aims at improving the results of people's efforts by linking these to the organization's goals and objectives. It is ideally the means through which employees' performance can be improved by ensuring appropriate recognition and reward for their efforts, and by improving communication, learning and working arrangements.

Many performance management systems borrow from or utilize some of the new approaches such as "Balanced Scorecard", "Total Quality Management (TQM), best practice "Benchmarking", or Business Process Re-engineering (BRP). Performance measurement must be considered as part of the overall performance management system and can be viewed as the process of quantifying the efficiency and effectiveness of actions. It is common practice in public sector performance management literature to talk about the three Es of: Economy, Efficiency, and Effectiveness. A good performance measurement approach should consider measuring and assessing the three Es:

**Economy:** Procurement and delivery of inputs human, physical and financial resources quantity and quality, cost element, timeliness, operational level.

**Efficiency:** "The optimal transformation (activities) of inputs into outputs" (UNDP) Utilization of means to achieve results and objectives rational use of resources atleast costs maximum results. In return Activities in perspective of results work planning and timelines tactical levels

**Effectiveness:** "The extent to which a program or project achieves its immediate objectives or produces its desired outcome" (UNDP), achievements of results, objectives, goals focus on target groups, beneficiaries, clients medium and long-term perspective, much more difficult to measure and assess strategic level. This rather new focus on quality of services and the integration of that aspect into Performance Management systems was accompanied by serious efforts to follow up on progress in implementing the resulting programs. There was a strong move toward increased publication of "performance information", preferably according to a centrally designed format. Standardization of reports was viewed as a facilitating tool that better enables citizens to compare between different reports.

**The Public Sector Performance Management Model**

In February 2001, the Office of the Head of Service of the Federation launched a pilot project that aims at improving the organizational performance at selected number of ministries and agencies. The project was called PIP: Performance Improvement Planning which followed a systematic and highly structured approach which can be implemented within a relatively short period of time (9-12 months). The scope of the intervention was at the micro-level rather than the whole organization's level. At that stage, OHSOF was of the opinion that it would be better, at least initially, to focus on short-term, clear-cut and tangible improvements and demonstrate that something could be done to improve certain aspects of an organization's performance during a reasonable time frame. It was hoped that this would build capacities as well as inspire and encourage the staff and leadership of
these organizations to take further steps and carry on with the easy to follow steps and methodology of PIP. The problems and obstacles were big and challenging at the outset. Many of the task forces representing the selected agencies were suspicious and doubtful of the program. The terminology was foreign to them, and the whole approach was regarded as imported, too advanced, and not suitable for the Nigerian public setting. Through group workshops and intense and regular weekly meetings, most of the doubts were erased. Many valuable lessons were drawn and some of these are listed in the section underneath. When the project was replicated in February 2002, parts of the approach itself were reconsidered and some changes were made to a chosen number of steps, a more localized and practical version was born. The PIP approach can be summarized in the following steps:

1. Analyze the organization: develop the mission statement, identify the organization's key tasks, and determine the organization's key competences.
2. Prioritize and focus: select a unit or function of high priority, identify that unit's key tasks and key competences, determine unit's goals, develop performance indicators.
3. Analyze context and make choices: define preliminary objectives, identify restraining and enabling forces, elaborate objectives, develop and select strategies, and establish agreement on the selected strategy.
4. Implementation: develop the detailed action plan, secure agreement on all elements, implement action plan, and arrange for process monitoring, evaluation and follow up.

The PIP approach has thus far been applied to different public agencies, and OHSOF is now looking at applying it at the macro-point: at the whole organizations level. Special attention should be exerted to ensure synergy with the overall strategy of the selected organizations.

**ORGANISATIONAL PERFORMANCE MEASUREMENT AND TECHNIQUE FOR PERFORMANCE MANAGEMENT**

Performance measurement is the “heart and soul” of the performance-based management process. Flowing from the organizational mission and the strategic planning process, it provides the data that will be collected, analyzed, reported, and, ultimately, used to make sound business decisions. It directs the organisational function by justifying budgetary expenditures, documenting progress towards established objectives, identifying areas of both strength and weakness, providing an on-going assessment of the current organizational climate,” and driving business improvement. In a nutshell, performance measurement supports organizational existence.

Performance measurement systems succeed when the organization’s strategy and performance measures are in alignment and when senior managers convey the organization’s mission, vision, values and strategic direction to employees and external stakeholders. The performance measures give life to the mission, vision, and strategy by providing a focus that lets each employee know how they contribute to the success of the organisation and its stakeholders’ measurable expectations.

Integration places performance measures where they are the most effective: integrated with the strategic, business activity. It makes it possible for the measures to be effective agents for change. If the measures quantify results of the activity, one only need compare the measured data with the desired goals to know if actions are needed. In other words, the measures should carry the message.

Performance measurement is virtually always important in management, especially in highly competitive, dynamic, complex, and global environments where managers are expected to have a strong grasp on dozens of issues (Fleisher, 2003). This is particularly true in ensuring that organisations determine, implement and adapt organisational strategies successfully. An organisation's strategy is the rudder that steers the ship (Ross & Kami, in David, 2003). The performance measurement system is the glue that holds the strategy together by consistently evaluating the strategy's effectiveness amidst unpredictable external forces. Kaplan and Norton's (2006) philosophy, on creating a strategy-focused organisation, is quite simple: "Measure the Strategy"

According to Kaplan and Norton (2006), an organisation's strategy describes how it intends to create value for its shareholders, customers, and stakeholders. Strategies are also the means by which long-term objectives are achieved. Essentially, the strategy should define a set of organisational activities / performances that have to be
accomplished in order to move the organisation in the desired direction. Strategic organisational performance is thus the performance that the entire organisation endeavours into, to obtain its goal and vision. Robbins (1987) explains that wherever strategy changes, structure should follow and the structure should then typically encompass various organisational facets such as; the corporate vision (end goal), mission (statement of purpose), the various organisational departments or functions, the corporate culture as well as the organisational activities /performances. Considering the above, it would therefore only make sense to measure the impact or the success of the strategy.

By measuring the impact or success of a strategy, executives are able to see where the organisation is heading, how accurate the direction is and how quickly the organisation is moving towards that direction. Performance measurement is like a speedometer, compass or mirror of a vehicle portraying information about past, current and expected positions of the organisation. Kaplan and Norton (2001) claim that measuring the strategy accomplishes seven fundamental principles:

i. The ability to translate the strategy to operational terms;
ii. The ability to align and integrate the organisation to the strategy;
iii. The ability to make strategy everyone's daily job, increasing buy-in at all levels;
iv. The ability to make strategy a continual process;
v. The ability to mobilise change through executive leadership;
vi. The ability to improve participative and consultative management styles; and,
vii. The ability to move the organisational culture towards an achievement culture.

The previous studies have expanded extensively on the scientific approach to performance measurement in the general business management context. The age-old saying, "If you cannot measure it, you cannot manage it" (Total Quality Engineering, 2005), finds its origin and existence in the organisational context where the Scientific Scholarship approach to inquiry, dominates. Due to this perception, society has structurally been conformed into believing that the manageability of an organisation is only achievable through the execution of quantitative performance measurement. However, if this is not achievable in a specific area of the organisation, the area in question is then typically perceived to be of lesser importance to management.

The meta-theoretical routes, in particular the nomothetic and practical theoretical approaches, highlight and stress this perception. Where the nomothetic theoretical approach is concerned with finding universal laws about behaviour and generalising it to make predictions, the practical theory is designed to capture the rich differences among situations and provide a set of understandings that allow alternative courses of action that can be taken. The general and quantitative results are the tools that managers use to measure and adapt strategies, Organisations across the world have realised the importance of measuring their performance, making this concept one of the most widely researched topics (Kaplan & Norton, 2006). Despite the increased level of interest, expressed in performance measurement and evaluation, a consensus surrounding the definitions of these terms, remains elusive. In addition, Watson and Noble (2005) indicate that the potential for confusion exists, especially because the terms are used interchangeably. The above interpretation provides great insight into the way organisations view their performance measurement systems. However, four aspects can be deducted from these definitions:

i. Performance measurement is used to provide information to decision makers;
ii. Performance measurement is used to measure strategies and ensure that they remain effective;
iii. Performance measurement is used to measure continuous improvement; and,
iv. The indicators are generally quantitative or numerical in nature.

From the above it is evident that the most important function of performance measurement is to evaluate whether or not the organisational strategy is attained. It should also assist in implementing the strategy by actually measuring the strategy. This in turn fulfils other important roles of performance measurement such as providing information for decision-making purposes; creating competitive advantage; systematically integrating and aligning all levels within the organisation; enforcing continuous improvement; implementing best practices throughout the organisation as well as creating a performance culture (Robson, 2005; Seang, 2003; Zhang, 2003).
The main difference between evaluation and performance measurement is their objectives. Where evaluation determines the success of a programme or campaign, performance measurement holistically guides and monitors the entire organisation’s direction towards achieving the corporate strategy. Performance measurement is a daily measurement that takes place on every level of the organisation, and integrates the results to provide a bird’s-eye view of what is going on. Performance measurement makes use of evaluation to contribute information, about programmes and campaigns designed, to achieve the strategy.

PERFORMANCE MEASUREMENT REQUIREMENTS

According to Bonnici and Sarkis (2001), the following perspectives were taken into account during the design phase of the measurement system process:

i. Performance measures should permeate the organisation’s hierarchy. That is, a link between operational measures and strategic objectives should be made and integrated.

ii. Measures should link across the organisation. To be effective the measurement system would have to recognize the merits of the service profit chain, whereby customer relations quality of service, and employee satisfaction have a direct effect on profit.

iii. The monitoring system should oversee the company from a financial performance, customer knowledge, and internal business processes perspective. It would have to balance objective and subjective factors. Both tangible and intangible measures need to be integrated.

iv. During the design stage companies need to consider the multidimensional nature of PMS in terms of the balance between external and internal factors, possible conflicts between performance measures, and the link between what is being measured and corporate strategy.

v. Looking at the firm from a mechanistic viewpoint should be avoided. An organisation needs to be viewed as a living organism that must be sustained and motivated and provided with the opportunity to learn and improve. This issue points to a measurement system’s need for dynamic characteristics.

vi. The measurement system should act as a tool to encourage people to be creative, to improve their skills, to derive satisfaction, and to produce better results for the company. It should not serve as an instrument to allocate blame, but as a tool to identify problems and to develop solutions.

vii. The system should (1) monitor the way the company seeks to be the master of a market, for which it seeks customer-satisfying products and services; (2) assess the way a company is retaining and developing its expertise in a certain technology; and (3) monitor the way markets are being effectively sought. The reporting system would have to be easy to understand and quick to read and information would have to be limited to what decision makers really need in order to make operational decisions to optimize market performance.

Most performance measures can be grouped into one of the following six general categories. However, certain organizations may develop their own categories as appropriate depending on the organization’s mission:

i. Effectiveness: A process characteristic indicating the degree to which the process output (work product) conforms to requirements. (Are we doing the right things?)

ii. Efficiency: A process characteristic indicating the degree to which the process produces the required output at minimum resource cost. (Are we doing things right?)

iii. Quality: The degree to which a product or service meets customer requirements and expectations.

iv. Timeliness: Measures whether a unit of work was done correctly and on time. Criteria must be established to define what constitutes timeliness for a given unit of work. The criterion is usually based on customer requirements.

v. Productivity: The value added by the process divided by the value of the labor and capital consumed.

vi. Safety: Measures the overall health of the organization and the working environment of its employees.

THE CHANGING ROLE OF PERFORMANCE MEASUREMENT

In the Traditional Management Theory, the dominant view is that all dimensions of performance can be measured, and all phenomena can be placed in numerical terms (De Waal, 2003; He explains that most measurement circles have developed from accounting systems originating a millennium ago and are, "still being performed this way because it has always been done this way”. He supports this statement indicating that many companies still rely on the traditional quantitative financial performance measurement systems. Additionally
the Goal-Attainment Approach (from the Organisation Theory) suggests that measuring. These traditional performance measurement theories have been criticized for narrowly focusing on financial figures, failing to capture organisational long-term business successes. Additionally, it has been said that these measures lack predicative power, reward the wrong behaviour, focus on a single measure of performance, are inflexible, and do not identify key business changes until it is too late. He warn that financial measures prohibit the guidance and evaluation of an organisation's ability to create future value through investments in customers, suppliers, employees, processes, technology and innovation. Ritter expands that financial measures are like the rear-view mirror of a car, they reflect the impact of decisions adopted in the past, leaving the forward-looking aspect unattended.

Seang argues that the pressure for reporting on corporate performance today, has confronted the traditional managerial mindset of historical models for performance measurement, and has required them to be more innovative. De Waal (2003) supports the argument claiming that a human element should be included in performance measurement systems. This shift in mindset is illustrated in the table below where Seang provided a comparison between traditional and more recent performance measurement systems.

<table>
<thead>
<tr>
<th>Traditional</th>
<th>Innovative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Based on cost/efficiency</td>
<td>Value-based</td>
</tr>
<tr>
<td>Performance orientated</td>
<td>Performance compatibility orientated</td>
</tr>
<tr>
<td>Profit-orientated</td>
<td>Customer-orientated</td>
</tr>
<tr>
<td>Short-term orientation</td>
<td>Long-term orientation</td>
</tr>
<tr>
<td>Prevalence of individual Measures</td>
<td>Prevalence of team Measures</td>
</tr>
<tr>
<td>Prevalence of Functional Measures</td>
<td>Prevalence of transversal measures</td>
</tr>
<tr>
<td>Comparison with standard</td>
<td>Improvement monitoring</td>
</tr>
<tr>
<td>Aim at evaluating</td>
<td>Aim at evaluating and involving</td>
</tr>
</tbody>
</table>

The above clearly indicates that performance measurement systems are moving towards a relationship-orientated understanding of how the organisation is performing. This view can be equated to the Systems Approach in the Organisation Theory, as a means to measuring organisational effectives. Here the end goal (financial) is not ignored, but treated as only one element in a more complex set of criteria. The long-term survival of the organisation is emphasised as well as the organisation's ability to acquire resources, maintain them and interact successfully with its external environment. It can therefore be said that the means of achieving various end goals, become more important than focusing on one specific financial end goal. In the traditional performance measurement systems, the actual performance measurement system is used as a communication device, to admonish employees when financial goals are not achieved (De Waal, 2003). As mentioned earlier, a performance measurement system should be used to execute and monitor the corporate mission and strategy, rather than reprimand poor financial performance. There should also be a link between performance, interaction between systems, human nature, and various outcomes in the measurement system (De Waal, 2003), as there are after all people involved in the entire measurement process.

The move towards including innovation, relationships and the consideration of the human factor, might require the use of qualitative measures to capture in-depth information upon which to base accurate decisions. The objectives of performance measurement can be accomplished with quantitative and qualitative means. Henning distinguishes the two paradigms as being the 'quest for the inquiry'. A quantitative technique centres on controlling the components (variables) of investigation. It also attempts to determine how the variables are related. Henning elucidates that the process of inquiry is shaped around the 'quantity of understanding' thus following a Scientific Scholarship. This technique allows researchers the ability to capture a population's characteristics and perceptions by making inferences from a sample of the population. An example of this would be investigating an entire stakeholder group's perceptions (such as clients), by drawing a smaller representation / sample from the entire client population. Generalisations are thus possible and are normally quite accurate. There are many additional benefits resulting from this nomothetic approach, which explains its popular appearance in organisational performance measurement systems.
Henning further clarifies that a qualitative technique usually evades controlling variables in an attempt to capture in-depth information. The term qualitative as stems from the word 'quality', refer to quality as being the essential character or nature of something. Qualitative techniques involve the quality of the variables being investigated and can thus be equated to the Human Scholarship process of inquiry. The principal benefit to this approach lies in the depth and richness of information collected. To continue with the above example of client perceptions, this practical approach can investigate why and how the perceptions are accruing over and above what they perceive.

Innovative performance measurement models, required to achieve competitive advantage in today's day and age, need crucial in-depth information, which can add immense value to understanding, justifying and predicting trends and behaviours. By combining quantitative and qualitative measures in the performance measurement models, further synergy is achievable.

The above discussion reveals that performance measurement systems and the corporate strategy need to be tightly interwoven. It should evaluate the progress of the strategy on a day-to-day basis, by means of financial and non-financial elements, and be measured with both a quantitative and qualitative process of inquiry. Another important element highlighted is that performance measurement systems should also assimilate cross-functional issues at all levels of the organisation.

CONCLUSION

People (employees) are the main concern of human resources management whereas human resources are the most valuable factor of production available to the organisation, as people are needed to harness the other resources in accomplishing organisational objectives.

The essence of human resources management is to ensure the maximum development of the potentialities of employees as well as the optimal utilization of the workforce. To this end, human resources management functionaries seek to enhance the welfare and motivation of workers by maximizing their skills and the quality and quantity of their employment opportunities with the aim of eliciting the best efforts from them. The foregoing conclusively underscores the strategic role of the human resources management functions in productivity improvement effort in Nigeria.

The benefits of productivity improvement to the individuals, organisation and society at large cannot be over-emphasized. Though productivity can be increased through other means such as new technologies or innovative job designs but due to the fact the human potential of any organisation is hardly fully utilized, people would continue to be crucial in the drive for productivity improvement.

It is important to note that both managers and subordinates perceive the performance management process in the company to be a worthwhile programme despite certain levels of dissatisfaction with specific outcomes of the process as indicated by their belief that assessment is worthwhile.

Expectedly, as a two-way communication, system, it provides the employees with an opportunity to know what is expected of him as well as his achievement. An effective performance management should lead to individual development to be productive, better industrial and human relations in the organization; and that Central Bank of Nigeria’s performance management and development system has improved the organization’s performance, individual employee job performance and productivity. Nevertheless, its success in this direction notwithstanding, the company still has enormous challenges on its path to attaining its maximum potential.

In the light of the above, it can be concluded that performance management is an important and meaningful management tool in achieving organizational goals. Thus, as a management tool, it helps both supervisors and subordinates alike to improve their job performance and consequently, their career development to achieve productivity.
The performance monitoring, review and action panning process should be structured around the strategic performance objectives of the organisation; Processes and systems should be designed to extract and communicate insights rather than performance data and all systems and processes should be aligned with each other, driving behaviour towards the performance objectives.

Effort should be dedicated to developing an appropriate culture to engage the organisation’s employees and elicit commitment to performance objectives.

Employees should be given feedback so as to have positive impact on motivation and efficiency. Assessment should be conducted in such a way that the employees should see it as a welcome exercise and not as a threat, as many managers have their subordinates understand. Appraisal should not be punitive or retaliatory opportunity for those superiors who wish to settle personal scores with those under them. The most relevant techniques/methods for different situations should be used and appraisal necessarily applies the type or evaluation method throughout the organization when there are different jobs.

Performance management technique becomes more effective when used for specific purpose. In view of this development, the study recommends separate assessment technique for different purpose in place of the current multi-purpose performance management system. However, an assessment system for salary administration and promotion should be kept separately from appraisals for employees’ development/productivity, which also needs to be on continuous basis. Therefore, if this is adopted, it will eliminate various distortions to which the performance management is currently subjected as a result of reward and punitive outcome attached to it. Management plays a significant role in the success or otherwise of any programme in an organization. The management of organisation should ensure greater support for performance management system by providing the necessary information, financial and material resources essential to the successful operation of the performance management and development system and regularly upgrading performance management system process and software where it is ICT based.

Performance management training must focus on helping managers develop specific appraisal skills and confidence in their ability to effectively evaluate others. These skills should include: goal setting, communicating performance standards, observing subordinate performance, coaching and providing feedback, completing the rating form, and conducting the appraisal review. Appraisals without training often lead to ineffectiveness, frustration, and dissatisfaction. Such training on the part of the supervisors would make them more alert to their responsibility of helping subordinates to set their work related goals and point out possible deviations from such goals a manner that would encourage such a subordinate to make corrective action as well as ensure objectivity in assessment rating. While on the other hand, on the part of subordinates, such training would ensure more purposeful participation in goal setting, if management and increased knowledge and understanding of work process.
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