ISSN: 2643-900X

Vol. 7 Issue 3, March - 2023, Pages: 21-29

# An Appraisal of the Conceptual Foundations, Evaluation, Development, and use of Performance Management Tools and Systems

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Abstract: This paper discusses the theoretical underpinnings, analysis, design, and implementation of performance tools and systems. Performance management tools are software applications that track individual, team, or organizational productivity. In contrast, a performance management system is a standardized process that provides feedback to management on how an organization's employees perform. Theories of performance management serve as the foundation for performance management. They are crucial to organizational behavior and human resource management because they assist employers in leading and motivating their workforces. A critical evaluation of what performance tools and system entails revealed that it is a way of helping employees and managers achieve their goals and improve their work quality. According to the results, it is advised to consider the following ideas: Managers should encourage staff members to speak up and provide regular feedback to their managers. They should use goal-setting tools to help them define targets and key results and match their own goals with those of the organization. You may create a culture of trust and ongoing improvement by using this strategy. Finally, managers should recognize and praise employees socially for any contribution that they have made to the organization.

**Keywords**: Performance Management, Management Tools, Management Systems

## Introduction

Performance management in the workplace has been practiced by organizations for centuries. But during the First and Second World Wars, when the military needed to understand the skills and talents of each individual to inform fighting strategy, one of the first structured models was established. Performance evaluations were being used by firms to rate each employee's performance and determine awards by the middle of the 20th century. The emphasis started to change toward employee development in the 1960s when meetings were held between a worker and their manager to review performance and, where necessary, to implement education and training to help the worker grow in their career.

Certain features of conventional performance management software have changed during the preceding years as a result of advancements in technology like cloud computing, improved user interfaces, artificial intelligence (AI), and machine learning. Nonetheless, the majority of systems still prioritize quarterly or annual employee assessment and reward. Although acknowledgment still plays a significant role in performance management, organizations are shifting to a more comprehensive strategy that gives staff members continual feedback and direction to assist them reach their objectives.

Two of the key management tools that have a substantial impact on employee development and organizational development are employee performance management tools and systems. According to a Gartner survey, 95% of managers are dissatisfied with the performance management procedures in place at their company. It may help you keep your staff engaged and help your company stay ahead of the competition if you take the time to analyze your procedures and how you can effectively use performance management solutions (Amiri, 2017).

Goal-setting, feedback, awards, and performance reviews are just a few of the critical HR processes that are included in a performance management system. The establishment of clear performance expectations so workers may readily comprehend what to anticipate from their jobs is made possible by the assistance of an efficient performance management system for HR managers. Also, it enables managers to improve employee accountability for achieving targets and assess their own performance for peers. Most businesses utilize performance management programs that are appropriate for their requirements based on variables like industry and personnel count (Amiri, 2017). This paper seeks to discuss the theoretical underpinnings analysis, design, and implementation of performance tools and systems.

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#### **Literature Review**

## **Concept of Performance Management**

The process of ensuring that a collection of actions and outputs achieves the objectives of an organization in an effective and efficient way is known as performance management (PM). Performance management may be used to assess how well a whole business, a department, an individual person, or the procedures in place to handle specific activities are doing (Harris, et al., 2003). Senior leadership at an organization and task owners typically organize and communicate performance management standards, which may include defining tasks and outcomes of a job, giving prompt feedback and coaching, comparing workers' actual accomplishments and conduct with intended performance and habits, implementing rewards. To ensure that performance management is effective, it is vital to define each person's job within the company in terms of their duties (Amiri, 2017).

Creating a performance management system is the process of positive workplace environment where managers and employees continuously evaluate their performance and cooperate to achieve a few shared organizational objectives. Goal-setting, goal-tracking, continual check-ins, real-time feedback, 360-degree feedback, incentives and recognition, learning and development, and talent analytics are essentially all part of it (Harris, et al., 2003).

The importance of performance management in today's competitive world where productivity is increasing in all areas and only organizations that use their resources to the best of their ability and have the most productivity can survive, performance management, which increases the productivity of human resources, is very important. Today, in new and progressive organizations, the most important factor determining the success of organizations is human resources and productivity (Hameed, 2020). By applying performance management in organizations and benefiting from the results obtained, organizations can organize their future activities in a systematic way as follows: document employees' behaviors and job responsibilities; determining and defining the desired performance expectations of organizations and explaining them to employees; establish an appropriate framework for communication between supervisors and staff; aligning the goals and expectations of the organization with the goals and demands of employees; creating a good opportunity for continuous evaluation of employees and guiding and encouraging them to achieve the goals of the organization by supervisors; creating a participative framework at all organizational levels to make it easier for workers to understand the organization's aims and aspirations and on the other hand, the expectations of employees can be easily obeyed by the supervisors and management of the organization; establishing a system of rewards and compensation that is appropriate and commensurate with the performance of employees; improving the level of employee satisfaction. Our approach to performance management in evaluating performance, we consider the needs and goals of the organization and accordingly determine the performance evaluation criteria. The use of appropriate quantitative and qualitative methods in measuring the performance of any organization is one of the main features of our activities (Hameed, 2020).

## **Performance Management System**

A consistent and quantitative tracking method for employee performance is called a performance management system (Hameed, 2020). To make sure that everyone in the organization is supporting and contributing to the strategic goals of the company, the system depends on a combination of technology and processes.

Hameed (2020) asserts that the performance management system is dependent on three crucial procedures:

- 1. Set goals and act accordingly while planning.
  - Match employee performance to the organization's goals.
  - Provide relevant and satisfying tasks to employees to boost engagement.
  - Rapidly adjust objectives as corporate priorities change.
- 2. Track performance using ongoing performance management
  - To maintain continued alignment with business goals, keep an eye on each employee's personal aspirations.
  - Provide advice and criticism to help you perform better.
  - Acknowledge successful outcomes as they occur.
- 3. Use performance evaluations to rank and commend
  - Evaluate performance in a reliable and consistent manner.
  - Acknowledge and honor outstanding efforts.

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• To measure the value your personnel brings to the company, use data-driven insights from the system.Performance Management Tools

Performance management tools are software applications that track productivity on an individual, team or organizational level (Mettler, 2009). They typically measure, gather and organize data and present it in a central location so business leaders can assess the data, gain valuable insights and make informed business decisions. Supervisors, human resources managers and other team leaders can use these kinds of tools to delegate tasks appropriately, provide better training resources to teams and guide employees to achieve goals. Well-performing team members can improve the overall performance of a business, helping to attract clients and earn profits(Mettler, 2009).

#### **Examples of performance management tools**

According to Smith, et al., (2017) The following are the different performance management tools:

- 1. Engagedly: Engagedly is a versatile employee management platform that helps users execute performance management techniques, enable development and growth and engage employees in processes. It can help leaders improve engagement, learning, development and onboarding satisfaction for employees. It's also mobile-enabled for real-time access and collaboration. some of its features include: Employee engagement surveys, Rewards, praise and badges, Real-time and 360-degree feedback, Mentoring resources, Performance reviews and Competency assessments.
- 2. Reflektive: Reflektive is a holistic performance management platform that expands PeopleFluent's talent management capabilities with enhanced engagement and analytic tools. Working in email, chat and mobile, it can instill accountability and foster constructive conversations between colleagues. Business leaders can use it to improve employee engagement with public recognition and measure and optimize employee sentiment with surveys, natural-language processing, benchmarks and action plans. HRIS integrations and pre-built dashboards help users see insights and trends easily. You can even customize your analytics to fulfill your exact preferences and requirements.
- 3. Workhuman Conversations: Part of the Workhuman Cloud, Conversations is a performance development software. Integrated with Social Recognition, this program makes it easy to document employee feedback, progress and performance reviews. With this tool, users can request and receive feedback from anyone at any time, enabling managers to gather insights and gain a holistic view of their employees. Users can also initiate check-ins, create agenda items and share progress updates on the app and on any device.
- 4. Bamboo HR: Bamboo HR is an HR and hiring software program for small and medium-sized businesses. Along with helping business leaders track applicants in every stage of the hiring process, it also assists them in organizing and using information throughout the employee lifecycle. This app can improve businesses in the following areas: Data and analytics: You can use this app to gather, store and analyze data about everyone who works at the business. Hiring: This app helps with finding the right talent, processing them and making hiring decisions efficiently. Onboarding: This program has features like onboarding checklists, e-signatures and offboarding processes. Compensation: This software helps you collect and track payroll data so you can compensate employees accurately and on time. Culture: Use this app to create a positive company culture, increase employee satisfaction and optimize performance management.
- 5. **BerniePortal:** BerniePortal is a human resources information system (HRIS) and benefits administration portal. It enables small and mid-sized businesses to optimize their HR processes and improve employee experiences so leaders can spend more time focusing on business growth. With it, you can manage the entire employee lifecycle in one location. Here are some of its key features: Applicant tracking, Onboarding, Benefit administration, Paid time off tracking, Time and attendance, Compliance, Performance management and Tax form reporting
- **6. Leapsome:** Leapsome is an app that offers solutions for performance management, employee management, objective and key results (OKRs) and learning. With it, business leaders can provide professional development opportunities to team members and scale the business. They can also grow talent, align employees around a central mission, increase engagement, optimize performance and automate processes. Leapsome integrates with several other popular HR and management systems. The company also provides a customer success manager, implementation support and training videos and articles.
- 7. **AssessTEAM:** AssessTEAM is a multilingual, cloud-based employee performance management software for competency evaluation and productivity analysis. It allows supervisors to evaluate on-the-job performance, deliver timely input to teams, analyze project productivity and profitability in real-time and manage a customizable time tracking system. This application is easy to use, safe and ready for use on mobile devices.
- **8.** ClearCompany: ClearCompany is a talent management, HR and ATS system that helps users improve hiring, onboarding, performance and engagement. With this program, you can hire and retain skilled employees. ClearCompany also enables you to complete the following activities: Onboard new hires: Train employees with the right goals and resources. Give feedback: Give employees actionable feedback. Stay compliant: Organize and store onboarding paperwork and

documentation. Achieve a mission: Review and manage employees using company mission, values and goals. Manage performance: Understand employee profiles and hire top talent. Engage employees: Ensure a remote workforce can focus on their work. Plan effectively: Make smart decisions quickly, in any economic environment.

- 9. ToDoist: This helps simplify projects and coordinate details, supporting excellent employee performance. An application for mobile and desktop devices, ToDoist helps users list and complete tasks easily and efficiently. Here are some of its features: Quick Add: The "Quick Add" feature lets you capture and organize tasks in seconds. Recurring due dates: Recurring due dates help you remember deadlines and build good habits. Sections and subtasks: These ensure you can keep your projects organized. Priority levels: With this feature, you can order and prioritize the day's most important tasks so you can know what to focus on next. Favorites: Favorites allows you to keep key projects, labels or filters saved and customize your experience. Reminders: The reminders feature alerts you about your important, time-sensitive tasks. Delegate tasks: Managers can delegate tasks to the appropriate team members. Notifications: Notifications make you aware when people post comments, complete tasks and perform other actions on the app. Boards: Kanban-style cards help you organize workflows. Labels: You can label groups of tasks for your own personal organization system. Filters: Search and view tasks based on filters like due dates, project and assignee. Themes: Change the aesthetic, style, mood and personality of your dashboard with over 10 different color options. Add tasks via email: Full integration with email means you can add tasks or comments via email.
- **10. PerformYard:** PerformYard is a simple yet powerful performance management software. It enables business leaders to complete annual reviews, establish quarterly goals and provide consistent feedback to employees. Flexible features make performance management easy for both supervisors and employees. Here are some of the capabilities of this program: Reviews and check-ins, 360 reviews, Goal management, Continuous feedback and Reporting
- 11. 15Five: 15Five is a performance management platform for creating effective managers, engaged employees and high-performing organizations. It enables leaders to transform engagement insights into actual results, communicate and track OKRs and optimize performance. Here are some of the features of this program: Engagement assessments, Performance reviews, Role clarity, Strength discovery, OKRs and goals, Real-time feedback, Employee recognition, Manager training, Coaching hub and Integrations

## Theoretical Underpinnings of Performance Management Tools and Systems

Theories of performance management are an important part of organisational behaviour and human resource management as they help businesses to both manage and motivate their employees. There are several different theories about performance management, though the application of each tends to vary according to the type of workplace and the needs of its employees. The main aim of a performance management theory is to boost employee production via motivation and development. In this article, we review what a performance management theory is with nine proven examples and the benefits commonly associated with the workplaces that implement them.

Theories of performance management tools are a set of principles that guide the way managers motivate employees. They typically do this by using research to create and maintain a productive work environment wherein employees feel like their managers value, appreciate and empower them. Performance management theories can also help managers to understand their role in creating a good working environment for their employees. This is because they provide further guidance on how they can better support employee needs. Performance management theories generally create incentives and set goals that employees from all levels of the organisation to which they can aspire. In the view of Smith, et al., (2017), Zaffron, et al., (2009) the following are theories of performance management:

- 1. Maslow's hierarchy of needs: Maslow's hierarchy of needs is a performance management theory that describes how employees are generally motivated to fulfil their needs in order, starting with the most basic and increasing to higher-level needs. The theory states that only once an employee fulfils one need, they can move on to the next. The hierarchy consists of five levels, physiological, safety, love/belonging, esteem and self-actualisation. The first two levels are deficit needs, meaning that if an individual doesn't meet these needs, they become unable to function properly. The other three levels are growth needs, which motivate employees to grow and develop their skills.
- 2. Herzberg's motivation-hygiene theory: Herzberg's motivation-hygiene theory is a performance management theory that dictates there are two types of factors that motivate employees: hygiene factors and motivational factors. Hygiene factors refer to the requirements necessary for an employee to do their job, like pay and working conditions. Another name for them is maintenance factors because they keep employees from becoming dissatisfied with their jobs. Motivational factors, meanwhile, refer to the things that inspire people to do great work and feel good about doing it, like recognition and achievement. They're also called growth factors because they can help people grow as individuals and professionals.

- 3. Goal-setting theory: The goal-setting theory is a performance management theory that involves identifying specific goals and objectives for employees before setting up a system that tracks their progress towards those goals. Such goals are usually quantitative so the employee can understand exactly how they've progressed towards achieving them so far. The goal-setting theory often applies to organisations that want to improve their employee's productivity levels. It typically works because it gives employees a clear picture of what their manager requires of them and how their manager expects them to complete tasks, which can motivate them to work harder and smarter.
- 4. Transformational leadership theory: This idea of leadership style, which focuses on performance management, explains how managers may affect the attitude and behavior of their workforce. Its core tenet is the notion that leaders may either be transactional or transformative, with a particular emphasis on the latter. Transformational leaders encourage their team members to commit to a shared objective rather than focusing on convincing them to carry out their assigned tasks. They have the ability to speak in a way that inspires admiration. Also, transformational leaders often give their staff members demanding yet attainable goals, which encourages them to work harder (Amanawa, 2022).
- 5. Scenario-based performance management: The scenario-based performance management theory is a way of transforming how leaders can manage employee performance. It entails creating an atmosphere where workers are routinely encouraged to take chances, make errors, and accept responsibility for their actions. One of the main benefits of this approach is that it helps employees to learn from their mistakes, which can improve their performance in the future. The idea is that when managers encourage their employees to make mistakes but also hold them accountable for fixing the mistakes made, it allows them to keep improving themselves over time.
- **6. 360-degree feedback:** The 360-degree feedback performance management theory involves a method of evaluating employee performance. The idea behind this theory is that multiple people can assess an employee's performance, rather than just one manager. This type of feedback process involves collecting data from four sources, the employee's manager, peers, subordinates and direct reports. Professionals then compare this information to the employee's self-assessment of their work and goals for the year. Managers subsequently present the results of these evaluations to the relevant employee in a written report, which includes suggestions for improvement. The goal of this is to help employees progress.
- 7. Situational leadership: Situational leadership is a performance management theory that focuses on the leader's role in employee engagement. It suggests that there are four different leadership styles. For example, there's the supportive style where leaders focus on establishing trust and confidence in employees. The participative style involves leaders developing a team environment that uses decision-making processes to ensure all employees have the skills necessary for their roles. The commanding style is for decisive and assertive leaders who expect high performance and accountability from their employees. The delegating style involves leaders giving employees complete autonomy over how to do their tasks.
- 8. Expectancy theory: The expectancy performance management theory is a performance management model that explains why some employees perform better than others. This theory focuses on the beliefs that employees have about their abilities, their behaviour and the outcomes of their actions. It focuses on three factors: Expectancy: An employee's belief that if they perform well, positive consequences follow. Instrumentality: An employee's belief that positive consequences directly result from their actions, such as the belief that doing good work leads to a raise. Valence: An employee's attitude towards the possible outcome, such as if an employee enjoys undertaking more responsibilities.
- 9. Learning curve theory: The learning curve performance management theory states employees learn in a predictable, measurable way over time. It's specifically based on the idea that employees perform better as they gain experience in their jobs. It's generally applicable to any type of job or situation where a manager expects an employee to perform a new task or complete a new project. It's important to note that the learning curve performance management theory doesn't apply to jobs that don't have a learning curve. For example, it doesn't refer to janitors who've spent years mastering all aspects of their job.

# **Analysis of Performance Management Tools and Systems**

Abeysiriwardana, et al., (2021) is of the view that various performance management tools and system are analyzed as follows:

1. Goal Setting Tools: Establishing effective goals for employees is one of the primary stages that leads to greater individual and organizational productivity. It's critical to clearly identify performance goals and objectives. Plans that are vague and open-ended cause a lack of interest in personnel. Managers meet with their staff members at the start of the year or of each

quarter to set clear goals and objectives for them. At this stage, managers make plans for "how" their staff members will achieve results and complete tasks. These objectives must to be hard and SMART (Abeysiriwardana, et al., 2021).

- 2. Feedback Tools: One of the finest methods for monitoring employee success and occasionally enhancing it is regular employee feedback. Employees, the team, and the entire business may all benefit from this practice's productivity-boosting effects. Although though the majority of businesses have already automated the employee feedback process, many believe that using a feedback tool has enabled them to cultivate a culture of regular feedback, which in turn encourages employee engagement. Peer-to-peer and 360-degree feedback are also included in these platforms for feedback (Abeysiriwardana, et al., 2021).
- 3. Employee Appreciation Tools: Most companies fail to recognize their staff members' excellent work, but they do so when something goes wrong. This behavior not only encourages disengagement, but it also makes workers feel unsatisfied, which has a negative impact on their productivity. Hence, constantly keep in mind to acknowledge and praise your employees' hard work. Using an employee recognition tool might be the first step in transforming your organization's culture to one that encourages gratitude and rewards workers for even the smallest achievements.
- **4. HR Management Tools:** Unquestionably, one of the most important roles in every firm is human resources. HR staff must spend a lot of time and energy managing people manually. As a result, using automated HR management software at your company may simplify many everyday HR tasks and address a variety of HR management problems.
- 5. Performance Appraisal Tools: The performance evaluation process is perhaps the most often employed performance management technique. It's an effective tool that can be used to track an organization's success over time and connect its goals with individual ones. But, if you want to get the maximum use out of this instrument, you must make sure that the evaluation process is a regular, equitable, and productive two-way communication between your staff. If you don't foster a culture where employees can express themselves freely, they'll lose motivation and won't stick around the company for very long.
- 6. Personal Development Plans (PDP): An extremely efficient method for improving employee performance is a performance development plan. The PDP process, which assists in identifying areas for growth, strategies to accomplish that growth, goal setting and tracking, benefits managers and employees equally. A clear road to achieving goals, Measurable goals, improvements, and outcomes, More distinct alignment with corporate and team goals, and Definitive employee development and responsibility are just a few of the tool's important advantages. Employees are encouraged and motivated by the PDP process to focus their development on the advancement of the firm. It encourages achievement while streamlining the performance process.
- 7. Pulse Survey tool: This is a quick, effective, and adaptable method to get employee input and gauge morale. The outcome can assist you in better understanding your staff, which in turn can assist your company in developing a strategy for greater employee engagement. A clear objective and clearly stated goals are the foundation of effective engagement surveys. Also, they must occur frequently enough to reveal patterns in attitude and temperament. These surveys will ask irrelevant questions and provide ambiguous answers if the purpose is unclear.

## **Design of Performance Management Tools and Systems**

An effective performance management system and tools increase a business's general profitability. Performance management systems help define resources accessible to employees, set expectations for them about certain jobs, and provide employee evaluations a framework. The finest actions in creating a performance management system are those that have the support of senior management and fit with the requirements of the company. You can successfully establish a performance management system with careful preparation. Among the steps in creating a system and tools for performance management are:

- 1. **Speak to employees:** Participate staff members in the early development of a new system. They will get more invested in the process the earlier they are involved. Also, you'll make sure that the system's measurements, expectations, and incentives make sense to the staff. Do not be reluctant to include your finest opinion leaders on the task force, especially if they have an unfavorable viewpoint. Once they become involved, these people may be the most powerful change agents. If necessary, hold a workshop for the task force to help them grasp the problem.
- 2. **Review job descriptions:** Make sure the job descriptions are correct and incorporate the most recent business requirements. Each description needs to be explicit about the duties, responsibilities, abilities, and demands of the job. Incorporate

expectations for the job from both internal (i.e., within the organization) and external (i.e., from customers). The importance of each position to the department and the business should be clearly stated in the job description.

- 3. Define performance expectations: Establish criteria for judging whether performance is up to par with, or below, expectations. Having the task force develop scenarios for each job is one method to do this. There will be a variety of employment processes in each circumstance. What does each situation's excellent performance look like? What would be a no-no? Metrics aid in making sure the standard is quantifiable. There are quantifiable measurements, such as totals and turnaround times. Also, there will be arbitrary measures, such as attitude or client happiness. To eliminate any bias from subjective measurements, it is vital to enlist expert assistance.
- 4. Design the assessment tool: An outside consultant with expertise in survey and psychometric instrument design can be the one to undertake this work most effectively. An expert in human resources might be able to help as an alternative. It is crucial that the language fosters an honest and unbiased evaluation based on the objectives of the role. Assessment items should ideally represent the viewpoint of the client or internal end user. What result would the client desire? Provide a review procedure as well. A sample of the tool should be tested with real end users, and any necessary improvements should be made.
- 5. Design feedback and training tools: Teach assessors how to provide constructive criticism and performance coaching. The effectiveness of feedback depends on its reception. By carefully preparing and delivering the message, managers may significantly improve the message's chances of being accepted. Take some time before evaluations to make sure supervisors are aware of how to support employees with their input.
- **6. Motivate staff to comply:** By using incentives, you can promote the behaviors you desire. Workers do the tasks for which they are paid. This does not necessarily need a total revamp of the compensation scheme. Incentives might be as little as being acknowledged in public. Rewards are a crucial tool for maintaining high standards and reinforcing excellent performance, though.

## **Implementation of Performance Management Tools and Systems**

An efficient performance management system is essential for enterprises. Yet regardless of how effective the system is, its effectiveness rests on the managers who use it (Abeysiriwardana, et al., 2021b). These performance tool and system implementations include:

- 1. **Plan:** Planning is the first step. Here, you clearly establish individual goals and plans and spread the word about them around the company so that your staff are aware of how achieving their own goals affects the overall objectives. When establishing each employee's personal objectives, consult with them and ensure that they are SMART (Specific, Measurable, Achievable, Relevant, and Time-bound).
- 2. Monitor: You should continually monitor your employees' advancements and take care of their developing demands after defining their goals and plans. Continuous monitoring entails giving ongoing feedback and routinely gauging worker performance.
- **3. Rate**: Employees are rated depending on their performance requirements. Although this phase is part of monitoring and feedback, it is seen as a more formal method of evaluating employee performance. It also assists managers in determining who their best employees are. Employees who are rated on a regular basis better themselves. It also allows managers to examine and compare employee performance over time or across a group of employees.
- **4. Reward:** Good managers recognize the significance of recognizing high-performing personnel. When their efforts are recognized, employees feel powerful and driven. This results in greater organizational productivity. As a result, reward employees that achieve or surpass your goals.
- **5. Upgrade**: Maintain regular updates to the goals and tactics. If your workers believe that their current objectives are unreachable or have a detrimental influence on the corporate work culture, it is time to engage with them to adjust them.
- 6. Mentor and Coach: There is no such thing as a bad performance. Thus, if you have individuals in your firm that are delivering poor results, they are only waiting to be recognized for the proper skill that they possess. Your business can bring out the best in every employee by implementing coaching and mentoring methods. Can you fathom where these

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technologies may lead your business if used correctly? The rising chasm between employees and businesses has made it difficult to engage people and guide them to maximum performance. Leaders must be aware of their employees' demands and respond to them in a progressive manner. Human resource managers can use performance management tools and procedures to identify blind spots and take corrective action.

# Benefits of Implementing of Performance Management Tools and Systems

According to Amiri (2017), the following are some of the benefits that people frequently connect with businesses that use performance management tools and systems:

- 1. Greater employee engagement and motivation: Employee engagement and motivation may be increased by applying performance management techniques. This is because they assist organizations in implementing strategies that encourage employees to focus on the organization's goals as well as their own personal development. If an employee believes they have a better knowledge of what their management expects of them, they are more likely to perform well and keep that level of performance throughout their career. This gives employees a sense of control over their achievement, which pushes them to improve their craft and perform better, increasing an organization's productivity.
- 2. Improved productivity: By encouraging people to take responsibility of their work and their growth, performance management ideas can lead to increased productivity. These ideas encourage employees to establish objectives for themselves and their teams, as well as measure their progress toward those goals. This type of system also assists managers in determining which elements of a firm are operating well and which need to be improved. Furthermore, some performance management theories rely on employee engagement surveys to provide input to managers. Workers who believe they have a voice in how their organization functions are more likely to be motivated.
- 3. Increased employee retention: Employee retention may be increased using performance management techniques. This is because they may assist to create a more positive and gratifying working environment for all workers. When employees believe that management effectively satisfies their needs and values their efforts, they are more likely to stay with the firm, lowering turnover rates. Performance management is also useful since it helps managers to discover areas of weakness in their workers' performance and provide suggestions on how they may improve. This results in higher-performing staff, which raises the quality of a company's output and increases its total customer numbers.

## Conclusion

Simply put, using performance management tools and systems may aid managers and staff in achieving their objectives and raising the caliber of their work. Although a performance management system is a standardized procedure that provides management with feedback on how an organization's people perform, performance management tools are software programs that measure productivity on an individual, team, or organizational level.

## Recommendations

- 1. The conclusions led to the following suggestions:
- 2. 1. Managers should utilize goal-setting tools that assist you in creating targets and key results and coordinating your own aims with those of the company.
- 3. 2. Managers should encourage staff members to approach them and provide frequent feedback to their superiors. You may create a culture of trust and ongoing improvement by using this strategy.
- 4. 3. Managers ought to publicly thank and honor staff members for any contributions they have made to the company.

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