



PERFORMANCES MANAGEMENT SYSTEM ANALYSIS

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Abstract

This research study evaluates the Performance Management System (PMS) of the Islands Integrated Development Corporation. The main goal is to assess how each of the PMS components—goal establishment, performance appraisal techniques, feedback, training & development, and optimal remuneration—affects the performance of employees and how effectively the organization as a whole works. The research design used was descriptive (due to the exploratory nature of the research), and data were collected from 136 employees through the use of questionnaires that had been designed for the study. The statistical tools used for analysis included percentage analysis, chi-square tests, t-tests, and regression analysis as executed by the use of the SPSS software. The results indicate that, while performance goals are well defined, the feedback mechanism(s) are moderately

effective, and individuals' performance goals are not consistently aligned with organizational goals (and therefore performance appraisal outcome(s) are not consistently fair). The participants believed that the training programs provided are relevant; however, they were limited in their scope for providing development (career development). Recommendations for this study include expanding the organization's feedback systems; providing fair and just evaluations; and linking employee performance to the strategic goals of the organization. In conclusion, the findings of this study support the view that a PMS that is transparent, participative, and emphasizes development will assist in attaining sustainable growth for the Islands Integrated Development Corporation.

Keywords: Employee Performance Management, Goal- setting, Appraisal, Feedback system, Training and Reward.

Introduction

The PMS is a vital tool used by organizations to ensure that the performance of their employees is aligned with the overall objectives and goals of the company. This is a formal process that



looks to enhance organizational efficiency and employee development. Basically, the PMS will be used for evaluating past performance, and it is also meant to guide future performance, promote continuous learning, and raise productivity throughout the organization. An effective performance management system ensures that employees understand their role towards the accomplishment of the company's goals and that their individual performance contributes to the success of the organization.

Objectives Of The Study

Primary Objectives

- To study performance management system analysis Integrated Development Limited

Secondary Objectives

- To examine the relationship between performance management practices and employee performance To assess the effectiveness of goal setting, feedback, and appraisal methods in the organization.

Review of literature

- Wirdhawan, R. A. & Wibisono, D. (2024). Performance Management System: Literature Review and an

Agenda for Future Research. This study aims to determine the development of research related to designing an organization's performance management system. This study conducts a literature review on papers that have been published and are available in the Google Scholar and Proquest database with a time span of January 2012 to December 2022. Keywords such as performance management, design performance management, and performance management system were used. The results of this research use 10 papers that are considered capable of explaining methods for designing performance management systems.

- Bhole, S., Bhavsar, N., & Shah, B. (2023). Impact of Performance Management System on Employee Performance – A Conceptual Framework for IT Organizations. One important factor that has a significant impact on both employee and organizational performance is the performance management system. This study's goal was to investigate what type of an effect a system for performance management will have on employee



performance. In order to create a research model that can be duplicated and used for future research, this study included all three of the Performance Management System's phases—developing and planning performance, managing and reviewing performance, and rewarding performance—as independent variables

Scope of Study

This study focuses on analyzing the effectiveness of the Performance Management System (PMS) within the organization and its impact on employee performance and organizational success. The study covers various components of the PMS, including goal setting, performance appraisal methods, feedback mechanisms, training and development, and employee motivation.

Limitation of Study

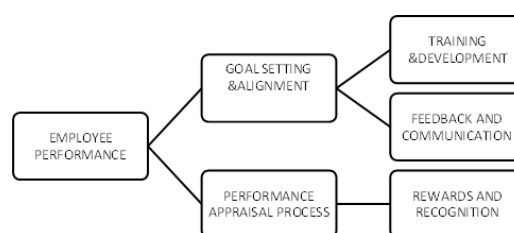
- The study is limited to a specific organization and may not represent the practices or perceptions of other organizations or industries.

- The responses are based on employees' self-assessment and perceptions, which may involve personal bias or subjectivity.

The sample size is limited, and therefore, the findings may not be fully generalizable to the entire workforce

Research Methodology Research Design

The present study adopts a descriptive research design. This design is appropriate because it seeks to describe and interpret the existing conditions and practices related to the performance management system (PMS) in the selected organization. The study focuses on identifying employee perceptions, attitudes, and satisfaction levels regarding performance appraisal, goal setting, feedback, and rewards.



Research Model Hypothesis

H0 (null hypothesis): No component of the performance management system will affect an employee's performance overall.

H1 (alternative hypothesis): Components of the performance management system (e.g., goal clarity, fairness of appraisal, training,



feedback, rewards, involvement, alignment) will have a positive impact on an employee's performance.

Sampling Method

The study adopted a purposive sampling method, Purposive sampling (also called judgmental sampling) is a non- probability sampling technique where the researcher selects respondents based on specific characteristics or criteria that are relevant to the research objective.

Sampling Size

In selecting a total of 136 respondents for this study, participants were chosen on the basis of having been involved in performance appraisals in their organizations.

Statistical Approaches Used in This Study

1. Chi-Square Test (to evaluate associations among independent variables such as job experience and understanding of expectations)
2. T-Test (to evaluate the differences between comparisons among groups for example, men versus woman with respect to communication).

Chi-Square test

Null Hypothesis (H0) : There is no association between experience and Goal setting & alignment.

Alternate Hypothesis (H1): : There is

association between experience and Goal setting & alignment

	I CLEARLY UNDERSTAND WHAT IS EXPECTED OF ME AT WORK					Total
	STRONGLY DISAGREE	DISAGREE	NEUTRAL	AGREE	STRONGLY AGREE	
LESS THAN 1 YEAR	7	2	4	16	6	35
1-3 YEAR	12	5	6	8	7	38
3-5 YEAR	8	4	4	6	7	29
MORE THAN 6 YEAR	7	9	6	6	6	34
Total	34	20	20	36	26	136

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	14.241a	12	.286
Likelihood Ratio	13.499	12	.334
Linear-by-Linear Association	1.285	1	.257
N of Valid Cases	136		

Interpretation

The chi-square test results show a Pearson Chi-Square value of 14.241 with a significance level (p-value) of 0.286, which is greater than 0.05. This indicates that there is no statistically significant association between years of experience and the statement "I clearly understand what is expected of me at work."

Independent Sample T-Test

Null Hypothesis (H0): There is no difference between gender and feedback &

communication. Alternate Hypothesis (H1):
There is difference between gender and feedback & communication

	Levene's Test for Equality of Variances		t-test for Equality of Means						
	F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
								Lower	Upper
I CAN OPENLY Equal	1.28	.26	.74	134	.456	.18591	.24867	-	.6777
COMMUNICAT Variance	2	0	8					.3059	.4
E WITH MY s								.2	
SUPERVISOR Assumed									
ABOUT MY									
PERFORMANC Equal			.71	59.79	.476	.18591	.25927	-	.7045
E variance			7	2				.3327	.7
s not								.4	
Assumed									

Interpretation

According to the t-test, there appears to be little difference in how respondents rated their ability to communicate with their supervisor concerning performance. As a result, the two groups have comparable mean values for this variable ($p > .05$).

Findings

2. Employees seem to possess comparable levels of competency regarding performance expectations; this implies that an employee will understand their performance expectations regardless of how long they have worked for the company.

2. The independent t-test results demonstrate that Levene's Test for Equality of Variances indicated a significance of $(0.260) > 0.05$; therefore the assumption that variance is equal between groups can be accepted.

Suggestion

1. The performance management system should move towards supporting the culture of continuous improvement as part of the entire process, vs the traditional performance evaluation process.
2. Create a system utilizing technology to enhance performance tracking, goal review and documentation.
3. Regularly scheduled performance evaluation meetings should take place to discuss progress and any challenges faced by the employee.
4. The basis of performance evaluation should be defined long before evaluation begins and provided to each employee in a manner that prohibits discrimination

Conclusion

To sum up, having a well-developed performance management system as a standard operating procedure of a Company's business operation allows the company to create a culture that promotes 'accountability,' 'learning,' and



‘continuous improvement.’ Establishing a successful performance management system will help a business meet its strategic objectives and create long-term sustainability through improved employee performance which is mutually beneficial to both the organisation and its employees; therefore, the organisation should periodically assess and modify its performance management processes.

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